

Part 1A: Survey and Certification

Proposal Summary for Consultation

This document is part of a series of documents to support consultation on changes to the existing Design, Construction, and Equipment rules (the DCE rules). Other documents that form part of the consultation package include:

- *Invitation to Comment* - An overview of the consultation package and summary of the proposals, including information on how to have your say on the proposals.
- *Proposal summaries* - Details of the proposed changes for each of the four Rule topics being consulted on in this package: Navigation, Systems and Equipment; Lifting Appliances, Loose Gear and Working Gear; Accommodation and Egress; and Survey and Certification.
- Draft Maritime Rules and draft Maritime Transport Instruments (MTIs) – a set of rules and MTIs for each of the four Rule topics.
- A template to support preparation of your submission.

These documents, and other supporting information, can be accessed at

<https://www.maritimenz.govt.nz/about-us/consultations/dce-40-series-package-3>

Contents

Purpose of this document.....	3
Introduction to Survey and Certification.....	3
Reasons change is needed.....	4
Summary of proposed changes.....	5
Part A: Overview of the framework for the proposed new survey and certification requirements	5
Part B: Proposed changes to the requirements for survey and certification	7
Implementation	10
Part A: Overview of the framework for the proposed new survey and certification requirements .	11
Key features of the proposed framework	11
Part B: Proposed changes to the requirements for survey and certification.....	13
Proposal 1: When the new DCE rules come into effect, grandparenting and transitional provisions would apply to vessels already in New Zealand's commercial fleet.....	14
Proposal 2: The application of the new DCE rules to vessels entering the New Zealand commercial fleet after new rules come into effect	19
Proposal 3: Approving a vessel's design and verifying its construction	27
Proposal 4: Defining what a major alteration or major operational change is and specifying the standards and survey requirements that would be required as a result of the change	37

Proposal 5: Undertaking aspects of a survey remotely	45
How to have your say.....	50
Appendix 1: Application of proposed transitional, savings (grandparenting) and related provisions for existing and eligible AMSA and Class certified vessels	51
Appendix 2: Major alteration and major change to a ship's operation	66
Appendix 3: Marginal cost and benefits.....	69

Purpose of this document

1. Maritime NZ is proposing significant reform of the Maritime Rules for design, construction, and equipment (the DCE rules) for domestic commercial vessels.
2. This document provides the detailed analysis for the proposed new Rule Part¹ and Maritime Transport Instrument (MTI)² for survey and certification. Throughout this document they are collectively referred to as the proposed new survey and certification requirements.
3. This document explains our understanding of the issues and current situation under the present rules (the 'status quo'), and sets out the analysis and rationale behind the proposed changes. Any potential impacts we have identified from the proposed revisions are also described. This information is intended to meet the Government's Regulatory Impact Analysis requirements.
4. This document should be read in combination with the Invitation to Comment that provides and overview of the proposed changes. It is available on our website at <https://www.maritimenz.govt.nz/about-us/consultations/dce-40-series-package-3>

Note: the word 'ship' is used in the Maritime Transport Act 1994 and the proposed Rules and MTIs. This term is used to refer to any kind of boat or craft and does not refer to a craft of a specific size. For the avoidance of doubt, the terms vessel, ship and boat can be used interchangeably. This document uses the term 'vessel' unless specifically referring to text or phrases used in the current or proposed new requirements.

Introduction to Survey and Certification

5. Commercial vessels require a Certificate of Survey to operate in a maritime transport operation under the Maritime Transport Act 1994.
6. An effective survey and certification regime helps ensure vessels entering and operating in New Zealand's commercial fleet are built, altered and maintained to a good standard, and comply with maritime and marine protection rules. Effective surveys help manage key risks, including safety issues, environmental harm, undetected defects and poor maintenance.
7. Surveys provide independent assurance that a vessel meets the required safety and compliance standards. However, the vessel's operator remains responsible for the safe operation and ongoing compliance of the vessel. The responsibilities of surveyors and operators are therefore complementary. Surveys support, but do not replace, day-to-day safety management by operators.

¹ Part 1A: Maritime (Design, Construction, and Equipment – Survey and Certification) Rules – Draft for Consultation

² Part 1A: Maritime Transport (Survey and Certification) Instrument – Draft for Consultation

8. Maritime NZ applies a risk-based and proportionate regulatory approach that emphasises operator responsibility, system-based safety management, and alignment with international standards. The proposed new survey and certification requirements are consistent with Maritime NZ's regulatory approach by:
 - targeting regulatory requirements to areas of highest risk
 - supporting progressive improvement in safety outcomes
 - improving clarity and consistency
 - recognising, where appropriate, the assurance provided by trusted authorities such as the Australian Maritime Safety Authority (AMSA) and recognised Classification Societies (Class).
9. The proposed new survey and certification requirements set out the process a vessel would need to follow to enter and remain in New Zealand's commercial fleet. These requirements also define how assurance would be maintained over time throughout the survey cycle.
10. The ability of surveyors to exercise some level of discretion is an important part of the survey framework. Where discretion is allowed for it is important that:
 - it is exercised within the clear boundaries set out in rules
 - any decisions are consistent with the general requirements rules.

Reasons change is needed

11. The current survey and certification requirements are set out across multiple rules, Surveyor Performance Requirements (SPRs), and guidance.³
12. The proposed changes seek to strengthen the survey and certification regime by consolidating the requirements into a single rule set and provide greater direction on:
 - survey requirements at different points in the survey cycle
 - the roles and responsibilities of parties involved in the survey process (including operators and surveyors)
 - the evidence that must be assessed and recorded for each type of survey.
13. Together, these changes are intended to support a more coherent and effective system that better enables compliance, supports good decision-making, and maintains safety and environmental outcomes.

³ Survey and certification requirements covered by these proposals are currently included within Maritime Rule Parts 19, 40A, 40C, 40D, 40E, and 44. The SPRs and surveyor guidance are available on Maritime NZ's website.

Summary of proposed changes

14. This document has two parts:

- **Part A** provides an overview of the framework for the proposed new survey and certification requirements, including how the current requirements are harmonised and consolidated into the new rule set.
- **Part B** sets out proposed changes to the requirements for survey and certification.

Part A: Overview of the framework for the proposed new survey and certification requirements

15. Part A of this document outlines the framework for the proposed new survey and certification requirements. The framework consolidates the current survey and certification requirements that are set out across multiple rules, SPRs and guidance. The aim is to have a more transparent and risk-based approach to survey and certification that supports good safety outcomes. Locating the detail in the MTI should make it more efficient to maintain and update requirements going forward.

16. The framework defines the survey and certification requirements across a vessel's lifecycle, including the different types of surveys, the factors that trigger a survey, the responsibilities of the operator and surveyor in this process, and the documentation requirements. Table 1 provides an overview of the proposed survey and certification framework.

Table 1: Overview of the proposed new survey and certification framework

Type of survey	Event that would trigger a survey	Purpose and output (*if requirements are met)
Design approval survey	When a vessel enters the New Zealand commercial fleet for the first time.	Approval of vessel's design. Output – Design approval report
Construction survey	For a vessel already in the New Zealand commercial fleet, if required by a surveyor as a result of a major alteration or major change to the ship's operation.	Verification of vessel's construction. Output – Construction report <i>NB: where undertaken in response to a major alteration or major change to a ship's operation the elements of a construction report could be included as part of the survey report.</i>
Initial survey	When a vessel enters the New Zealand commercial fleet for the first time.	Confirmation the vessel is sound and serviceable, fit for its intended service and operating limits, and complies with relevant maritime and marine protection rules.

Part 1A: Survey and Certification: Proposal Summary

Type of survey	Event that would trigger a survey	Purpose and output (*if requirements are met)
		Outputs – - Initial survey portfolio - Survey report - Issue of Certificate of Survey*
Intermediate survey	At prescribed intervals between the issuing and reissuing of the Certificate of Survey.	Confirmation a vessel is sound and serviceable, fit for its intended service and operating limits, complies with relevant maritime and marine protection rules, and that any major alterations or operational changes have been appropriately assessed.
Renewal survey	At 5-yearly intervals or any lesser period specified on the approved survey plan.	
Non-scheduled survey	To return to service when a vessel's Certificate of Survey is expired or otherwise not valid. At the request of an operator.	Outputs – - Survey report (intermediate survey, renewal survey and non-scheduled survey) - Endorsement or re-issued Certificate of Survey* (intermediate survey and non-scheduled survey) - Re-issue Certificate of Survey* (renewal survey)
Out-of-water survey	At least every 5 years or more frequently if required by the surveyor in order to be able to adequately assess risk.	Confirmation that the exterior of a vessel's keel and hull, and propulsion and steering systems are sound and serviceable, fit for its intended service and operating limits, complies with relevant maritime and marine protection rules, and that any major alterations or operational changes have been appropriately assessed. Outputs– - Survey report (may be included as part of intermediate, renewal or non-scheduled survey) - Certificate of Survey is endorsed or re-issued*

Part B: Proposed changes to the requirements for survey and certification

17. The main changes are explained across five proposals. These are summarised below and set out in more detail on pages 13 to 49. Each of the detailed proposals highlights how the proposed change differs from the current requirements and examines the potential impacts on vessels that would need to comply with the new requirements.

Proposal 1: When the new DCE rules come into effect, grandparenting and transitional provisions would apply to vessels that are already in New Zealand's commercial fleet

18. It is proposed that grandparenting provisions (also referred to as savings provisions) and transitional provisions would apply to vessels that are already in New Zealand's commercial fleet when the new DCE rules come into effect. The proposed grandparenting and transitional provisions are detailed in Appendix 1 of this document.
19. Grandparenting provisions would allow vessels to continue to operate under the current DCE rules in some situations. These are proposed for situations where there are no safety concerns or where upgrades are impractical.
20. Transitional provisions would provide a defined period of time for a vessel to meet some aspects of the new DCE rules. These are proposed for situations where the new DCE rules would deliver safety benefits but operators would need time to comply.
21. In limited cases, the new requirements would apply immediately where there would be a safety benefit and the change is minor.

Proposal 2: The application of the new DCE rules to vessels entering New Zealand's commercial fleet after new rules come into effect

22. It is proposed that vessels entering the New Zealand commercial fleet after the new DCE rules come into effect would need to comply with the new requirements, unless specific allowances apply.
23. Eligible AMSA and Class certified vessels⁴ would be permitted to comply with the requirements they were certified to, rather than New Zealand's requirements, if:
- grandparenting provisions applied to vessels already in the New Zealand commercial fleet (as set out in Proposal 1)
 - transitional provisions applied to vessels already in New Zealand's commercial fleet (as set out in Proposal 1) and the requirements applicable to an AMSA or Class certified vessel would be considered equivalent to those in the new DCE rules.
24. It is proposed that this allowance would only apply to vessels entering New Zealand's commercial fleet within 10 years of the DCE rules coming into effect. After that period, all vessels entering the commercial fleet would be required to fully comply with the proposed new DCE rules.

⁴ To be eligible, a vessel would need to have a valid certificate of survey from the Australian Maritime Safety Authority (AMSA) or Class certificate from a recognised Classification Society, be constructed under survey, and have entered the Australian domestic commercial fleet after 1 July 2013 (in the case of an AMSA vessel).

25. The specific allowances are detailed in Appendix 1 of this document.

Proposal 3: Approving a vessel's design and verifying its construction

26. The proposed new survey and certification requirements would:

- clarify the role of a recognised surveyor in approving a vessel's design and verifying its construction, particularly in relation to the use of AMSA and Class certification
- expand what existing documents can be used when approving a vessel's design and verifying its construction, for example, allowing the use of design approval documentation from a lead sister ship
- require the prototype for a series production vessel, and a lead sister ship, to have their design approved and construction verified (series production only)⁵ within the last 5 years, if the information is to be used as evidence in a vessel's assessment
- provide an alternative pathway for a surveyor to verify a vessel's construction after it has been built, using destructive and non-destructive testing and inspections.

27. The alternative pathway for verifying compliance, described above, would be a new option for passenger and non-passenger vessels. It would also set clearer expectations for fishing and sailing vessels. These vessels are currently able to verify their construction by way of a structural survey if the vessel has design approval and the surveyor is satisfied that it is fit for its intended purpose.

Proposal 4: Defining what a major alteration or major operational change is and specifying the standards and survey requirements that would be required as a result of the change

28. The proposed new survey and certification requirements would provide greater clarity and flexibility on:

- what constitutes a major physical or operational change to a vessel
- the assessment required by a surveyor as a result of the change
- the standards that must be met.

29. The new requirements:

- simplify terminology by using the terms *major alteration* and *major change to a ship's operation* to describe a change
- support the simplified terms with more detailed descriptions in the MTI of what constitutes a change (refer Appendix 2 of this document)
- introduce flexibility by allowing surveyors to make an initial assessment of a change—low risk changes would need to be noted, while significant changes would require further assessment

⁵ Verification of the construction of a lead sister ship cannot be used as evidence of that a sister ship has met the requirements of a construction survey.

- clarify the standards that would apply as a result of the change—only those areas of a ship affected by the change would need to meet new requirements, while unaffected areas could continue to meet their current requirements.

Proposal 5: Undertaking a survey remotely in specified circumstances

30. The proposed new survey and certification requirements would address existing ambiguity about whether aspects of a survey can be undertaken remotely. It would provide clarity while at the same time ensuring that vessel safety is not compromised.
31. Under the proposed new survey and certification requirements aspects of an intermediate, renewal, or non-scheduled survey would be able to be conducted remotely as long as it is related to:
- a follow up check of a matter identified during an in-person survey
 - an administrative task or document review.
32. Any items verified remotely would need to be recorded in the survey report and rechecked at the next in-person survey.

Other proposed changes

Information about a vessels intended service

33. The proposed new survey and certification requirements would require an operator to provide information to the surveyor about the vessel's intended service and operating limits. The information would be required prior to an initial survey or prior to a survey where there has been a change to a vessel's scope of certification.⁶ This information would be used by the surveyor when undertaking the survey to determine what requirements a vessel would need to meet. This information could be provided verbally or in writing.

Clarifying the status of a vessel that is mid-build when the DCE rules come into effect

34. It is proposed that a vessel, which is mid-build when the new DCE rules come into effect, would be considered the same as if it was in the New Zealand commercial fleet prior to the commencement of the rules. As such, mid-build vessels would have access to any allowances that applied to vessels that were already in the fleet, including grandparenting and transitional provisions.
35. It is proposed that a vessel would be considered "mid-build" if:
- it becomes a New Zealand ship within 1 year after the commencement of the rules; and
 - its keel was laid, or was at a similar stage of construction, within the 2 years prior to the commencement date of the rules.
36. The description of "mid-build" would provide a three year window for a vessel to be constructed and to still have access to any allowances available to a vessel in the commercial fleet when the rules come into effect. The purpose of applying a time limit to the mid-build

⁶ Scope of certification is defined in the new survey and certifications requirements as, in relations to a vessel, its category, activity, type, operating limits, minimum crew, maximum number of passengers on board, maximum number of persons on board, and maximum cargo capacity.

description is to minimise the risk of vessel deterioration associated with prolonged or stalled building processes.

Returning to service if you have an invalid Certificate of Survey

37. The proposed new survey and certification requirements would specify the circumstances in which a Certificate of Survey would no longer be valid. They would also specify the requirements a vessel would need to meet to regain certification and return to service.
38. A Certificate of Survey might be invalid for a range of reasons, including that it had expired, the vessel had undergone a major alteration or change in its operation that had not been approved by a recognised surveyor, or the survey plan and maintenance plan requirements had not been met. The process and requirements a vessel would need to meet to return to service would depend on why the Certificate of Survey was invalid and are set out the MTI. The actions required in response to a major alteration or major change in operation are discussed in more detail in Proposal 4.

Implementation

39. The Rule Part and MTI that will implement these proposals are set out below.

- Part 1A: Maritime (Design, Construction and Equipment – Survey and Certification) Rules [year].
- Maritime Transport (Survey and Certification) Instrument [year].

Timing / Commencement date

40. The Rule Part and MTI are expected to come into force in mid to late 2028. Note that this date is subject to analysis of submissions received during consultation, and Ministerial agreement to any changes subsequently made in response.

Products envisaged to support implementation

41. Maritime NZ will provide a short guide for the sector explaining the changes introduced by the new Survey and Certification rules.

Part A: Overview of the framework for the proposed new survey and certification requirements

42. Part A of this document focuses on the overall framework of the proposed new survey and certification requirements. Specific changes to the requirements are covered in Part B.
43. Evidence from Australia's *Decision Regulation Impact Statement*⁷ highlights the safety importance of an effective survey regime, noting that many incidents relate to material and maintenance issues best managed through robust survey processes.
44. Restructuring the survey and certification requirements is intended to improve the effectiveness, transparency, and safety outcomes of the survey system. Table 1 (on page 5) summarises the proposed changes in terms of the range of different surveys required through a vessel's lifecycle, the triggers for those surveys and outputs produced from those surveys.

Key features of the proposed framework

Alignment with a risk-based regulatory approach

45. The proposed framework for the survey and certification requirements would support a flexible and risk-based approach.
46. It achieves this by locating the overall approach in the Rule for survey and certification⁸ and the detailed technical requirements in the associated MTI.⁹ Locating the detailed requirements in the MTI would allow requirements to be updated more readily in response to changes in industry practice, technology, and emerging risks. For example, changes to the scope and frequency of the survey regime that would apply across the sector. The proposed approach continues to allow the option of alternative survey arrangements to be considered on a case-by-case basis for individual vessels without the need for changes to the MTI.
47. Locating the technical requirements in an MTI sets the foundations for future work on survey frequency and scope. There are currently different survey requirements depending on which maritime operating system applies to the operation (e.g., safety case, specified limits permit, safe operating plan, or the Maritime Operator Safety System (MOSS)). Additionally, taking a risk-based approach may result in less frequent surveys being required for some vessel and operation types.
48. The rule changes proposed in this consultation do not change the survey frequency, but do set up the rules and MTI in a way that would facilitate this happening in the future.

Consolidation of requirements

49. The proposed framework for the new survey and certification requirements broadly reflects the scope and frequency of surveys that are currently required.

⁷ AMSA April 2017: Survey under the National System for Domestic Commercial Safety – Decision Regulation Impact Statement.

⁸ Part 1A: Maritime (Design, Construction, and Equipment – Survey and Certification) Rules – Draft for Consultation

⁹ Part 1A: Maritime Transport (Survey and Certification) Instrument – Draft for Consultation

50. Most survey and certification requirements would be consolidated into a single framework comprising the Survey and Certification Rule Part (high-level requirements) and the MTI (detailed technical requirements). This would improve clarity, consistency, and ease of use.
51. The proposed approach would replace the current framework in which requirements are set across multiple rules, SPRs, and guidance.

Clear specification of survey types and lifecycle requirements

52. The new framework describes the survey and certification requirements that would apply over the lifecycle of a New Zealand commercial vessel, including entry into the fleet, ongoing operation, and re-entry into the fleet where required. The framework clearly specifies each survey type, including when it would occur (triggered by events or time intervals), what would need to be assessed, and the required documentation.
53. To support clarity, three terms would be introduced:
- **intermediate survey** (currently referred to as “periodic survey”) – undertaken between the issuing and reissuing of a Certificate of Survey
 - **non-scheduled survey** – undertaken outside the standard survey cycle
 - **out-of-water survey** – requiring the vessel to be removed from the water for inspection at least every five years, either separately or as part of other surveys.
54. A non-scheduled survey may be undertaken when a vessel, with an invalid Certificate of Survey, wants to return to the fleet. It may also be undertaken at the request of an operator, including when a major alteration or major change to a ship's operation is proposed or underway.

Questions:

55. In reviewing the framework of the new survey and certification requirements please consider the following questions.

SC A1.1 Do you agree that future work should consider a risk-based approach to survey frequency? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC A1.2 Do you agree that consolidating the majority of the survey and certification requirements into a single Rule and MTI would improve clarity and usability? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC A1.3 Do you agree that the proposed survey types, triggers, and lifecycle approach (including new terms like “intermediate” and “non-scheduled” surveys) are clear and workable in practice? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

Part B: Proposed changes to the requirements for survey and certification

56. The main proposed changes are set out in the following five proposals. Each proposal highlights how the proposed change differs from the current requirements and examines the potential impacts on vessels that would need to comply with the new requirements.

- **Proposal 1:** When the new DCE rules come into effect, grandparenting and transitional provisions would apply to vessels already in New Zealand's commercial fleet.
- **Proposal 2:** The application of the new DCE rules to vessels entering New Zealand's commercial fleet after new rules come into effect.
- **Proposal 3:** Approving a vessel's design and verifying its construction.
- **Proposal 4:** Defining what a major alteration or major operational change is and specifying the standards and survey requirements that would be required as a result of the change.
- **Proposal 5:** Undertaking a survey remotely in specified circumstances.

Proposal 1: When the new DCE rules come into effect, grandparenting and transitional provisions would apply to vessels already in New Zealand's commercial fleet

What we are proposing

Managing the impact of change on vessels in the New Zealand commercial fleet

Some vessels already in the commercial fleet when the new DCE rules come into effect could be impacted by the proposed changes. These impacts would be managed by including grandparenting and transitional provisions across the proposed new DCE rules.

- Grandparenting and transitional provisions are legal tools used when new laws are introduced. They manage how existing rights, obligations, or situations are treated under the new regime.
- Grandparenting provisions allow vessels already in the commercial fleet to continue to operate under the current rules for some situations. The proposed new DCE rules would use grandparenting provisions where a change does not represent a safety concern or where upgrading the vessel is not considered practical.
- Transitional provisions give operators a set time to move to the new rules. During the transitional period the rules currently in place could still be used. Transitional provisions are proposed where a change would deliver safety benefits but operators need time to make the change.

A limited number of the new DCE rules would apply immediately. This is proposed where the proposed change is minor, for example, increased requirements and clarification of record keeping for compass adjustment and deviation checks.

How the grandparenting and transitional provisions would apply

Appendix 1 of this document sets out how the grandparenting and transitional provisions would apply to vessels already in the New Zealand commercial fleet when the new DCE rules come into effect. It includes the proposed DCE rules consulted on as part of the current consultation package (Package 3) as well as those consulted on as part of Packages 1 and 2.¹⁰

Where transitional provisions are proposed, Appendix 1 sets out how long an operator would have to meet the new requirements. Different proposals have different transitional periods with most ranging from 2 to 5 years. The length of the transitional period depends on factors such as the safety benefits, and the costs and practicality of making the change. For example, it is proposed that operators would have 5 years to meet the buoyancy requirements for all lifejackets carried on board when the new DCE rules come into effect.

The transitional period would include the period where the rules have been made, that is, signed by the Minister, but have not yet come into effect.¹¹

¹⁰ Details of the information included in Packages 1 and 2 is available on Maritime NZ's website at: <https://www.maritimenz.govt.nz/about-us/rules/40-series-reform-project/>

¹¹ As noted in the Invitation to Comment document, it is proposed that the new DCE rules consulted on as part of Packages 1, 2 and 3 would be finalised and signed in mid-2027 by the Minister but are not expected to be in force

Note:

- The grandparenting and transitional provisions would not apply in situations where a vessel is undergoing or has undergone a major alteration or a major change to its operation. The aspects of the vessel directly or indirectly impacted by the change may need to meet the new rules. How the new DCE rules would apply following a major alteration or a major change to its operation is discussed in Proposal 4.
- The table in Appendix 1 is for consultation purposes only and does not reflect how the provisions would be presented in the final rules.

Status quo and rationale for change

The aim of the DCE Reform Project is to consolidate and harmonise the rules and set standards that are proportionate to risk while maintaining or improving safety.

However, revising the rules cannot effectively be achieved without impacting some vessels that are already operating in the commercial fleet. This means that decisions need to be made about the extent of change that would apply to:

- vessels that are already in the New Zealand commercial fleet when the new DCE rules come into effect
- vessels that enter the New Zealand commercial fleet after the commencement date (refer to Proposal 2: The application of the new DCE rules to vessels entering the New Zealand commercial fleet after new rules come into effect).

In making these decisions, a range of factors were considered to ensure the appropriate balance between managing the risk of harm against the practicality and economic cost of the change. These include ensuring:

- modern standards are applied where analysis indicates they are appropriate
- the change supports the ongoing improvement of the commercial fleet
- the change is technically and practically feasible
- unnecessary costs are reduced
- the change is the minimum necessary to ensure safe operation.

These considerations have informed the options and analysis set out and discussed below.

Impact of the proposal

The proposed grandparenting and transitional provisions are designed to manage the effects of the proposed regulatory changes on vessels already operating in the New Zealand commercial fleet when the rules take effect. They are expected to have an overall positive impact on the sector by ensuring that upgrades are only required where they are justified and proportionate.

until mid to late 2028. Finalising some of the rules in advance of the whole rule set coming into force would provide certainty to industry earlier and allow time for stakeholders to understand and prepare for the new rules. These dates are provisional and are subject to feedback received during consultation.

Operators may incur increased costs where change is required

The potential costs of the proposed changes are detailed in the impact assessments accompanying the topic-specific rules consulted on in Packages 1 and 2, as well as the topic-specific rules being consulted on as part of this consultation package (Package 3).

Where change is required, the transitional provisions would reduce the financial pressure by allowing time for operators to comply. The duration of the proposed transition periods recognises that operators need to allocate funds and incorporate the changes into their longer-term plans. They take into consideration the scale and complexity of changes required. For changes related to equipment, for example an EPIRB,¹² the duration of the transitional period also factored in the normal lifespan for that equipment.

Options analysis

Three options were considered.

Option 1: (Status quo). Vessels already in the New Zealand commercial fleet would not be required to meet any of the new DCE rules.

Option 2: Vessels already in the New Zealand commercial fleet would need to meet all the new DCE rules.

Option 3: (Preferred option). Grandparenting and transitional provisions would apply to vessels already in the New Zealand commercial fleet.

How do the options compare against the status quo?

A comparison of the options against the status quo is discussed below and set out in Table 2. Option 3 is the preferred option.

Option 2: Vessels in the commercial fleet must meet all new requirements

Similar to the status quo, Option 2 would provide certainty about the requirements applying to vessels already in the commercial fleet when the rules come into effect, as all vessels would be required to meet the new DCE rules. It would also ensure vessels meet modern standards. However, Option 2 could impose costs that are not justified from a safety perspective, as some proposed changes reflect consolidation and harmonisation of the rules and would have minimal safety benefit. The costs would be associated with the need to upgrade or alter the vessel to meet the new DCE rules or to seek exemptions.

Option 3: Application of grandparenting and transitional provisions to vessels already in the New Zealand commercial fleet

Option 3 is **the preferred option**. It performs strongly against the criteria for maintaining and enhancing maritime safety and changes that are practical and economically viable. It would help to ensure that vessels already in the commercial fleet move towards more modern safety standards when justified, while recognising the practical and economic challenges for operators

¹² Emergency Position-Indicating Radio Beacon

of requiring change.

The changes provide flexible and adaptive regulation:

Option 3 would only require vessels already in the commercial fleet to meet new requirements when supported by analysis of safety concerns.

Rules are clear and easier to understand and apply:

Option 3 would be clear about how the new DCE rules would apply to vessels that are already in the commercial fleet.

Maritime safety is maintained or enhanced:

Option 3 would enhance the safety of vessels that are already in the commercial fleet as it would require these vessels to meet more modern safety standards where analysis indicates that this is required from a safety perspective.

Changes are practical and economically viable:

Option 3 recognises that any additional requirements applying to vessels that are already in the commercial fleet need to be practical to implement, economically viable and proportionate to risk.

Table 2: Comparing options against the status quo

	1. Status Quo	2. Vessels already in the commercial fleet must meet all new requirements	3. Application of grandparenting and transitional provisions to vessels already in the commercial fleet
Provides flexible and adaptive regulation	0	-	+
Rules that are clear and easier to understand and apply	0	0	0
Maritime safety is maintained or enhanced	0	++	++
Changes are practical and economically viable	0	--	++
Overall assessment	0	-	++

Key for qualitative judgements:

++ Much better than doing nothing/the status quo/counterfactual

+ Better than doing nothing/the status quo/counterfactual

0 About the same as doing nothing/the status quo/counterfactual

- Worse than doing nothing/the status quo/counterfactual
- Much worse than doing nothing/the status quo/counterfactual

What are the marginal costs and benefits of the preferred option?

An overview of the marginal costs and benefits is set out in Appendix 3 of this document.

Questions:

SC B1.1 Do you agree with the proposed use of grandparenting and transitional provisions to manage the impacts on vessels that are already in the commercial fleet prior to the commencement of the rules (Option 3)? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B1.2 Does the proposal strike the right balance between improving safety and managing practical and economic impacts? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B1.3 Are the proposed transitional timeframes sufficient and workable for implementing the required changes? Why /why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B1.4 Are there any situations where the proposed use of grandparenting or transitional provisions could create safety risks or unintended consequences?

SC B1.5 What challenges do you foresee in applying the proposed approach (e.g., identifying applicable requirements, demonstrating compliance, or undergoing surveys)

Proposal 2: The application of the new DCE rules to vessels entering the New Zealand commercial fleet after new rules come into effect

What we are proposing

Overview

It is proposed that:

- a vessel that enters the New Zealand commercial fleet after the new DCE rules come into effect would be required to comply with the new rules (unless otherwise permitted)
- eligible AMSA and Class certified vessels (as specified in Table 3) would have the option of complying with relevant AMSA or Class requirements in some situations.

Table 3: Eligibility criteria

Eligibility criteria	AMSA certified vessel	Class certified vessel
If a vessel is from Australia, it must be categorised as a 'new' domestic vessel under the Australian system. ¹³	Yes	N/A
The vessel must be constructed under survey	Yes	Yes
The vessel must hold a valid AMSA or Class survey-related certificate immediately prior to entering the New Zealand fleet	Yes	Yes

How the proposed new DCE rules would apply to eligible AMSA and Class certified vessels

Eligible AMSA and Class certified vessels would have the option of being grandparented to the AMSA or Class requirements that applied to them immediately prior their entry into the New Zealand commercial fleet. They would be able to comply with these requirements instead of being required to comply with the proposed new DCE rules. This option would be available in situations where:

- grandparenting provisions apply to vessels already in the New Zealand commercial fleet, for example, under Proposal 1 it is proposed that vessels currently in the commercial fleet would not be required to meet the new watertight and weathertight requirements
- transitional provisions apply to vessels already in the commercial fleet **and** the requirements applicable to an AMSA or Class certified vessel would be considered

¹³ Australian's Marine Order 503 categorises its domestic commercial vessels as either 'existing', 'transitional', or 'new'. A 'new' vessel is categorised as a vessel that is neither an existing nor a transitional vessel and has entered the Australian domestic commercial fleet after 1 July 2013.

equivalent to those in the proposed new DCE rules, for example, some of the proposed new electrical requirements.

It is proposed that this allowance would only apply to vessels entering the commercial fleet within 10 years of the new DCE rules coming into effect. After that period, all vessels entering the commercial fleet would be required to fully comply with proposed new DCE rules.

Appendix 1 of this document sets out how the grandparenting provisions would apply to eligible AMSA and Class certified vessels. It covers the proposed new rules being consulted on as part of the current consultation package (Package 3) as well as the proposed rules consulted on as part of Packages 1 and 2.

Note:

The proposed approach for AMSA and Class certified vessels outlined here is different in the following ways to the approach outlined as part of the Package 2 consultation:

- additional eligibility criteria have been included—the only eligibility criterion in the original proposal was that a vessel had held a valid AMSA or Class certificate
- the proposal now allows eligible vessels to comply with the requirements of their existing certification systems, rather than New Zealand's rules, in situations where grandparenting provisions are proposed for these vessels
- access to the grandparenting provisions would be time bound and only apply to vessels entering the New Zealand commercial fleet within 10 years of the new DCE rules coming into effect.

The grandparenting provisions would not apply in situations where a vessel is undergoing or has undergone a major alteration or a major change to its operation. The aspects of the vessel directly or indirectly impacted by the change may need to meet the new rules. How the new DCE rules would apply following a major alteration or a major change to its operation is discussed in Proposal 4.

The table in Appendix 1 is for consultation purposes only and does not reflect how the provisions would be presented in the final rules.

Status quo and rationale for change

Status quo

Currently, any vessel that enters the New Zealand commercial fleet must comply with all relevant requirements at the point of entry. Under Maritime Rule Part 44, a Certificate of Survey may only be issued if the surveyor is satisfied that the vessel meets all applicable maritime and marine protection rules.

Rationale for change

Vessels entering the commercial fleet must meet the new requirements

Requiring vessels to comply with the proposed new DCE rules, if they enter the New Zealand commercial fleet after the new rules take effect, aligns with New Zealand's current approach and the approach taken in other jurisdictions, including Australia. It also supports a progressive improvement in safety of the New Zealand commercial fleet by ensuring new entrants meet

contemporary standards.

Targeted allowances for eligible AMSA and Class certified vessels

It is proposed that targeted allowances be provided for eligible AMSA and Class certified vessels. For specific rules, these vessels would be able to comply with the AMSA or Class requirements they were certified to immediately prior to entering the New Zealand commercial fleet.

This proposal:

- strikes a balance between ensuring minimum safety standards continue to be met and recognising assurance from trusted authorities such as AMSA and recognised Classification Societies
- reduces administrative and cost burden for both operators and Maritime NZ where known and trusted systems would deliver broadly similar safety outcomes but differ on some technical details.

Allowing vessels to comply with AMSA or Class requirements recognises the strong alignment between the proposed new DCE rules and the AMSA and Class systems. It would also avoid unnecessary upgrades, alterations or exemptions to meet the proposed new DCE rules.

Safeguards

The proposal includes safeguards to ensure that any allowances for AMSA and Class certified vessels are clearly targeted and do not undermine the integrity of the New Zealand system. The safeguards include eligibility criteria and a time-limited allowance.

Eligibility criteria

Only vessels meeting modern and robust standards, which have been independently verified, would be able to access the allowance. This would be achieved by only allowing vessels that:

- are **categorised as a “new” vessel under AMSA survey regime** (AMSA vessels only)—these vessels are required to meet more modern standards under the Australian system as compared to vessels categorised as “existing” or “transitional” under the Australian system
- are **constructed under survey**—this aligns with New Zealand’s current approach for recognising certification from an Australian authority or a recognised Classification Society in the DCE rules
- have a **valid certificate immediately prior to entering New Zealand**—this ensures ongoing oversight and up-to-date information on a vessel’s condition and compliance.

Time-limited allowance

The allowance would be limited to 10 years from the date of the new DCE rules come into effect. This would support transition while maintaining a clear expectation that, over the longer term, all vessels entering the New Zealand commercial fleet would meet the latest New Zealand requirements at the point of entering the fleet.

Without the 10 year limit, vessels entering the New Zealand commercial fleet in the future, for example 15 years after the commencement of the new rules, would be able continue to meet

older AMSA and Class requirements.

Impact of the proposed change

Vessels that would not meet “eligible AMSA or Class certified vessel” criteria

Vessels that do not meet the criteria to be categorised as an “eligible AMSA or Class certified vessel” would need to meet the proposed new DCE rules at the point they entered the New Zealand commercial fleet. This reflects the status quo, whereby vessels entering New Zealand are currently required to meet the rules in place at the point of entry.

As the proposed new DCE rules reflect more modern standards, non eligible AMSA and Class vessels are likely to be less able to enter the commercial fleet without upgrades, alterations, or an exemption from the rules. This would include older AMSA vessels and vessels that do not hold valid AMSA or Class certification immediately prior to entering the New Zealand commercial fleet.

The impact on second-hand vessels operating outside of the AMSA or Class systems is expected to be limited. It is understood that most second-hand vessels entering New Zealand’s commercial fleet are either operating under by AMSA or Class requirements (refer Box 1).

Box 1: Origin of vessels entering New Zealand’s commercial fleet

Early in the reform project, a study looked at the origins of 57 fishing vessels that had entered the New Zealand commercial fleet within the previous 5 years.

Three quarters of the sample were second-hand and most came from Australia. Some large second-hand vessels came from Europe and were surveyed to Class rules. The average age of second-hand vessels was 23 years, with the oldest being 45 years.

A quarter of the vessels in the sample were newly constructed vessels. All except one were built in New Zealand and ranged from 7 – 23m in length, with most being less than 15m in length. One new vessel came from Norway and was surveyed to Class rules.

The findings of this study reflect common understanding of the vessels entering New Zealand’s commercial fleet. While the study is now 6 years old, there is no reason to suggest that trends have changed significantly.

Eligible AMSA and Class certified vessels

For eligible AMSA and Class certified vessels, the proposed grandparenting provisions are expected to have a positive impact. The proposal is also expected to have benefits for New Zealand’s maritime system more generally.

- i. **It would remove the need for vessels to have to make unnecessary upgrades, alterations or seek exemptions to meet the proposed new DCE rules.** In cases where there is no safety justification, or where it does not relate to access for disabled passengers and other passengers requiring special assistance, a vessel would be able to comply with the relevant requirements from AMSA or recognised Classification

Society.

- ii. **It would streamline the design approval aspect of the survey process.** The design approval survey for eligible vessels entering New Zealand's commercial fleet should be subject to a 'lighter touch' assessment. Where eligible vessels are permitted to meet their existing requirements, design approval documentation should already be available. For those aspects of the vessel, a New Zealand surveyor approving a vessel's design would be able to review the existing document rather than have to undertake a more detailed assessment of the vessel's design. This point is discussed in further detail in Proposal 3: Approving a vessel's design and verifying its construction.
- iii. **It would ensure vessels that enter New Zealand's commercial fleet meet more modern standards.** This would be achieved in two ways—by limiting which AMSA certified vessels would be eligible to access to the grandparented provisions, and by imposing a time limit after which all vessels entering the New Zealand commercial fleet would need to meet the new requirements.
- iv. **It would ensure that New Zealand retains control over the regulatory framework applying to its commercial fleet over the longer term.** Consolidating requirements into a single regulatory system over the longer term would simplify compliance for operators and improve oversight for Maritime New Zealand.

Placing a 10-year time limit on access to the allowance for eligible AMSA and Class certified vessels should not materially reduce the benefits described under points i and ii above.¹⁴ By the 10 year cut off, it is expected that good quality AMSA and Class certified vessels should be able to comply with the proposed new DCE rules without significant difficulty.

This expectation is based on analysis showing that many of the proposed new DCE rules are aligned with or derived from rules from AMSA and Class requirements that are already in place now. An AMSA or class certified vessel entering the New Zealand commercial fleet 10 years after the rules come into effect could have been operating under relevant AMSA or Class requirements that have been in place for well over 10 years.

Options analysis

Three options were considered.

Option 1: (Status quo). AMSA and Class certified vessels must meet all the new DCE rules on entry into the New Zealand commercial fleet.

Option 2: Eligible AMSA and Class certified vessels would have the option of being grandparented to current New Zealand rules in some situations, including a 10-year bound allowance.

Option 3: (Preferred option). Eligible AMSA and Class certified vessels would have the option of being grandparented to their own rules in some situations, including a 10-year bound allowance.

¹⁴ For the other benefits, imposing the time limit either does not impact the likely benefit or is the reason why the benefit can be realised.

How the options compare against the status quo

A comparison of the options against the status quo is discussed below and set out in Table 4. Option 3 is the preferred option.

Option 2: Grandparent to our rules

Option 2 would provide certainty about the requirements applying to vessels in the commercial fleet at the commencement of the rules. All vessels would be required to meet either the new DCE rules or New Zealand's grandparented provisions.

Allowing eligible vessels to meet New Zealand's grandparenting provisions in some situations, while imposing a 10-year cut-off after which new entrants must comply with the new rules, would recognise the assurance provided by trusted authorities (AMSA and recognised Classification Societies). It would also ensure that, over the longer term, vessels entering the commercial fleet met more modern standards.

However, as with the status quo, new entrants may still need to upgrade or seek exemptions to meet New Zealand's grandparented provisions as the detailed technical requirements could differ between jurisdictions.

Option 3: Allow eligible vessels to grandparent to AMSA or Class rules

Option 3 is the **preferred option** as it performs strongly against criteria for flexibility, maintaining and enhancing maritime safety, and practical and economic viability.

Recognising assurances from trusted authorities, such as AMSA and recognised Classification Societies, would provide a balanced approach that ensures there is a move towards vessels meeting more modern safety standards while avoiding the need for unnecessary upgrades, modifications or exemptions.

The changes provide flexible and adaptive regulation:	Option 3 would provide greater flexibility by allowing eligible vessels to meet requirements under their existing certification, in some situations, where safety is not compromised.
Rules are clear and easier to understand and apply:	Generally, Option 3 would provide greater clarity about the requirements vessels must meet by specifying that eligible vessels would be able to meet requirements under their existing certification, in some situations. It would also provide greater clarity over the longer term as vessels entering the commercial fleet 10 years after the rules come into effect would be required to meet the new DCE rules. However, within that 10-year period, there would likely be increased demand on operators and surveyors to demonstrate and document compliance with AMSA and Class rules during the initial survey. This is likely to be offset by avoiding unnecessary upgrades, resulting in practical and economic benefits.
Maritime safety is maintained or enhanced:	Option 3 is likely to maintain and enhance maritime safety, including by: - requiring all vessels entering the commercial fleet to meet the new DCE rules, unless specifically allowed otherwise

Part 1A: Survey and Certification: Proposal Summary

	- limiting grandparenting for eligible vessels to situations where there are no safety concerns because AMSA or Class requirements are considered equivalent to those in the new DCE rules - imposing safeguards on what vessels would fall within the scope of an eligible AMSA or Class vessels - imposing a 10-year limit after which vessels entering the commercial fleet must meet new DCE rules.
Changes are practical and economically viable:	Allowing compliance with requirements under the AMSA and Class certification systems would avoid unnecessary upgrades, alterations or exemptions to meet the new DCE rules. However, there may be additional surveyor costs, at least initially, associated with a surveyor becoming familiar with the relevant AMSA and Class requirements against which to assess the vessel.

Table 4: Comparing Option 2 against the status quo

	1. Status Quo	2. Eligible vessels grandparented to NZs rules, in some situations	3. Eligible vessels grandparented to their existing requirements, in some situations
Provides flexible and adaptive regulation	0	+	++
Rules that are clear and easier to understand and apply	0	++	+
Maritime safety is maintained or enhanced	0	++	++
Changes are practical and economically viable	0	-	+
Overall assessment	0	+	++

Key for qualitative judgements:

- ++ Much better than doing nothing/the status quo/counterfactual
- + Better than doing nothing/the status quo/counterfactual
- 0 About the same as doing nothing/the status quo/counterfactual
- Worse than doing nothing/the status quo/counterfactual
- Much worse than doing nothing/the status quo/counterfactual

What are the marginal costs and benefits of the preferred option?

An overview of the marginal costs and benefits is set out in Appendix 3 of this document.

Questions:

SC B2.1 Do you agree with allowing eligible AMSA and Class certified vessels to comply with their existing certification requirements in certain situations? (Option 3) Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B2.2 Do you agree that AMSA and Class requirements provide comparable safety outcomes to New Zealand rules in the situations where grandparenting provisions are proposed? (refer Appendix 1) Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B2.3 How workable is this proposal in practice, particularly in demonstrating and verifying compliance with AMSA or Class requirements during survey and certification?

SC B2.4 Is the proposed 10-year limit on access to these allowances appropriate? What impacts would this have on vessel investment and entry decisions?

SC B2.5 To what extent would this proposal reduce costs (e.g., upgrades, alterations, exemptions), and are there any unintended costs or barriers it could create?

Proposal 3: Approving a vessel's design and verifying its construction

What we are proposing

Under the proposed new survey and certification requirements, design approval or verification of construction would be required:

- when a vessel requires an initial survey to be certified and the New Zealand commercial fleet for the first time
- for vessels in the commercial fleet if a surveyor determines that, as a result of a major alteration to the vessel or a major change to its operation, the vessel's design approval or verification of its construction needs to be fully or partially reassessed. For further detail refer to Proposal 4: Major alteration to a vessels and major change to its operation.

Approving a vessel's design

The proposed new survey and certification requirements would require a vessel's design approval to be undertaken by a surveyor who is recognised by the Director of Maritime New Zealand to undertake that function.

When undertaking a design approval of a vessel entering New Zealand's commercial fleet for the first time, the surveyor would be able to consider the following documentation as evidence to support the design approval survey:

- i. Design approval documentation from eligible AMSA or Class certified vessels.¹⁵
- ii. Design approval documentation from a lead sister ship provided that, within the previous 5 years, the design of the lead sister ship had been approved or reaffirmed by a surveyor recognised to approve a vessel's design, or in accordance with the eligible AMSA or Class certified vessel criteria noted in paragraph i.
- iii. For a vessel of less than 12 metres in length overall (LOA): Design approval documentation from a series production prototype provided that, within the previous 5 years, the design of the prototype had been approved, or reaffirmed, by a surveyor recognised to approve a vessel's design, or in accordance with the eligible AMSA or Class certified vessel criteria noted in paragraph i.
- iv. Certification that a vessel had been designed in accordance with the European Recreational Craft Directive 2013/53/EU, provided the certification is verified in accordance with the requirements to be set out in an MTI.¹⁶

Note that this documentation would support but would not replace the design approval carried out by a recognised surveyor.

¹⁵ To be eligible, a vessel would need to hold a valid AMSA or Class certificate immediately prior to entering the New Zealand fleet, be constructed under survey, and (in the case of an AMSA vessel) have entered the Australian domestic commercial fleet after 1 July 2013.

¹⁶ This would only be available for hire and drive vessels, or vessels that are offered or used for hire or reward with a master where only 1 group of people occupy the boat. These vessels must be used exclusively for the hirer's pleasure and operated in the inshore area specified in paragraph (a) of the definition of inshore limits set out in Rule Part 20.

Verifying a vessel's construction

The proposed new survey and certification requirements would require a vessel's construction to be verified by a surveyor recognised by the Director of Maritime New Zealand to undertake that function.

When verifying a vessel's construction, a surveyor would be able to rely on the following evidence that the vessel has been constructed in accordance with its design approval.

- i. The vessel had been surveyed during construction by a recognised surveyor in accordance with checks, tests and inspections specified in an MTI, i.e., 'constructed under survey'.
- ii. Where a vessel had not been constructed under survey, a recognised surveyor has verified the vessel's construction by carrying out destructive and non-destructive checks, inspections and tests on the completed vessel in accordance with requirements specified in an MTI.
- iii. For a vessel that is a series production vessel of less than 12 metres LOA: The prototype of the series had, within the last 5 years, had its design approved and been constructed under survey by a recognised surveyor or in accordance with the eligible AMSA or Class-certified vessel criteria.
- iv. The vessel has been certified as having been designed and constructed in accordance with the European Recreational Craft Directive 2013/53/EU, provided the certification is verified in accordance with the requirements to be set out in an MTI.¹⁷

The proposed new survey and certification requirements would allow documentation and certification from an eligible AMSA or Class certified vessel to be accepted as meeting the requirement to be constructed under survey under point i. above.

Current construction requirements

The current rules include requirements relating to vessel construction (e.g., Rule Part 40A.9). These requirements combine elements relating to both the process for verifying a vessel's construction and the materials and methods used in construction.

The proposed survey and certification requirements set out in this document consider those aspects of the current rules that relate to verifying a vessel's construction. It is proposed that the remaining construction related matters would be considered as part of the next phase of the DCE Reform Project (Package 4).

¹⁷ As per footnote 13.

Status quo and rationale for change

Status quo

An overview of the current rules, as they relate to the approval of a vessel's design and verification of its construction, is set out in general terms below:

- a vessel must have its design approved and construction verified by a surveyor recognised by the Director to undertake that function before being issued a Certificate of Survey for the first time
- when undertaking a design approval or verifying a vessel's construction the surveyor must be satisfied that the design and construction of the vessel provides "*strength for the safe operation of the ship and to withstand the sea and weather conditions likely to be encountered in the intended area of operation*"
- when undertaking a design approval or verifying a vessel's construction, a surveyor may refer to certification from recognised Classification Societies or an Australian authority (now AMSA);¹⁸
- passenger and non-passenger vessels must meet the construction requirements by being constructed under survey by a surveyor recognised by the Director to perform that function, a recognised Classification Society, or an Australian authority, or.
- fishing and sailing vessels have an additional option to meet the construction requirements. They may meet these requirements if they have design approval and a surveyor is satisfied following a structural survey that the vessel is fit for its intended purpose.

Some exceptions to the general approach apply:

- a vessel less than 7.5 metres in LOA does not require design approval if it is a series production boat and the design has a record of at least 5 years of safe operation under similar intended conditions.
- the rules do not include a specific requirement to verify the construction for passenger or non-passenger vessels of less than 7.5 metres in LOA or fishing vessels of less than 12 metres in LOA.

The current rules also include a range of allowances for pre-2004 vessels or pre-2010 sailing vessels. These allowances are not discussed here as they would not be relevant for vessels entering the commercial fleet when the new DCE rules come into effect.

Rationale for change

The proposed approach to approving a vessel's design and verifying its construction is similar in many ways to the current rules.

¹⁸ The current rules refer to federal or state authorities in Australia. However, the Australian system has been reformed and responsibility for certification falls under the Australian Maritime Safety Authority (AMSA)

Changes have been proposed where there is a need to clarify the current requirements. There are different perspectives within the sector on how the current rules should be applied.

The key areas of change, and the rationale for those changes, are set out below.

Clarifying the role of AMSA and Class certification in relation to approving a vessel's design

The current rules provide the surveyor with the option of referring to certification from recognised Classification Societies or an Australian authority when approving a vessel's design and verifying its construction.

Within the sector there appears to be different interpretations on how to apply the rules for design approval where a vessel has certification from a Classification Society or an Australian authority, including that:

- a recognised design approval surveyor does not need to be involved as the vessel has met all its obligations in relation to design approval
- a recognised design approval surveyor only needs to consider those aspects of the design outside the scope of the certification provided by the Australian authority or Classification Society
- a recognised design approval surveyor needs to consider all aspects of a vessel's design outside of those aspects related to structural strength.

The proposed new survey and certification requirements would clarify how documentation associated with an AMSA or Class certified vessel could be considered and who could make the overall decision in terms of a vessel's design approval. The goal is to ensure a consistent application of the design approval process going forward.

Under the proposed new requirements, a recognised design approval surveyor would be required to consider all aspects of a vessel's design approval. In undertaking that assessment, the surveyor would be able to consider evidence from the documentation associated with an AMSA or Class certified vessel.

Where the new DCE rules would allow eligible AMSA and Class vessels to meet the requirements under their existing systems (refer Appendix 1), design approval documentation should already be available. Where the documentation is available, design approval for that aspect of the vessel should only need to be reviewed and not require a detailed assessment.

Allowing an additional pathway to verify a vessel's construction

The proposed new survey and certification requirements introduce an alternative pathway for passenger and non-passenger vessels to verify their construction. In addition to being constructed under survey, these vessels would be able to have their construction assessed after the vessel has been built.

The alternative pathway recognises that some passenger and non-passenger vessels that want to enter New Zealand's commercial fleet have not been constructed under survey and that other vessels may have been constructed under survey but no longer have the necessary supporting documentation. Under this pathway a surveyor would need to be

satisfied that a vessel has met the construction requirements in the MTI. This would likely require a thorough inspection, including destructive and non-destructive checks and tests.

The alternative pathway would also set clearer expectations for fishing and sailing vessels that are not constructed under survey. Currently fishing and sailing vessels are able to verify their construction by way of a structural survey as long as the vessel has design approval and the surveyor is satisfied that it is fit for its intended purpose.

The alternative pathway would provide all operators with choice. When purchasing a vessel an operator would be able to weigh up the known cost of a vessel that has evidence that it has been constructed under survey against the potential cost and disruption of purchasing a vessel without that evidence. This alternative pathway is likely to be best suited for less complex vessels where the need for destructive testing would be more limited.

Modifying the criteria for accepting series production vessel documentation

To utilise the current allowance for design approval for a series production vessel, the vessel must be less than 7.5 metres in LOA and must be of a design and construction that has a record of at least 5 years of safe operation under the intended conditions.

Two changes are proposed under the new survey and certification requirements.

- Firstly, the length threshold for a series production vessel would change from “less than 7.5 metres in LOA” to “less than 12 metres in LOA”. This reflects the increased size of modern series production vessels. It also aligns with the threshold in the proposed new stability, drainage, freeboard, and subdivision requirements for the use of evidence from series production prototype vessels.¹⁹
- Secondly, the change would require the series production prototype to have its design approved and have been constructed under survey within the previous 5 years by a recognised surveyor or in accordance with eligible AMSA or Class certified vessel criteria. This is a change from the current rules that require the prototype vessel to have at least 5 years of safe operation. Feedback from the sector is that it is not clear how “safe operation” is determine or who determines it.

The proposed new requirement for a 5 year review would not necessarily require a full reassessment of the prototype’s design approval. Rather, existing design approval documentation would need to be reviewed to confirm ongoing compliance with requirements in place at the time of the assessment.

Requiring the prototype vessel to be constructed under survey within the previous 5 years would also ensure that series production vessels reflect current construction practices, recognising that methods can change over a 5 year period.

Accepting design approval documentation from the lead sister ship

The proposed new survey and certification requirements would introduce a specific allowance for a surveyor to be able to consider existing design approval document from a lead sister ship. As is proposed for series productions vessels, the design approval information would only be able to be used if the lead sister ship has had its design approval

¹⁹ Consulted on as part of Package 2 of the DCE Reform Project.

assessed, within the previous 5 years, by a recognised surveyor or in accordance with eligible AMSA or Class certified vessel criteria.

Allowing the use of design approval from a lead sister ship aligns with the approach undertaken in other jurisdictions. For example, in Australia a vessel can use the design approval from a lead sister ship when applying for an Australian Certificate of Survey instead of having to apply for full plan approval. As with other jurisdictions, the allowance to consider information from a lead sister ship applies to documentation related to design approval but does not extend to being used to verify its construction. A sister ship would still require vessel specific verification of its construction.

Formalising how certification under European Recreational Craft Directive 2013/53/EU can be used as evidence of compliance

Maritime NZ has issued guidance that indicates how CE-certified vessels²⁰ can demonstrate compliance with some design, construction and equipment requirements.

The new survey and certification requirements would formalise which documentation from CE-certified vessels would be acceptable in terms of approving a vessel's design and verifying its construction. This option would only apply:

- to hire and drive vessels, or vessels that are offered or used for hire or reward with a master where only 1 group of people occupy the boat; and
- where the vessel is used exclusively for the hirer's pleasure and operated within specified areas within 12 NM of the shore.²¹

Impact of the proposed change

The proposed new survey and certification requirements would improve consistency and clarity in how vessel design approval and construction verification are applied. This includes clearly defining the role of surveyors and how documentation associated with AMSA and Class certified vessels could be used.

The proposed new survey and certification requirements would introduce more flexibility for operators. This includes alternative pathways for passenger and non-passenger vessels to verify construction as well as expanded use of existing documentation for series production vessels and sister ships. For example, series production documentation could be used for larger vessels (i.e., vessels less than 12 metres in LOA) and there would be specific allowances to use existing document from a lead sister ship.

The alternative pathway would also provide clearer expectations for fishing and sailing vessels not constructed under survey. Currently these vessels are able to verify their construction through a structural survey, provided the vessel has design approval and the surveyor is satisfied that it is fit for its intended purpose.

²⁰ Vessels certified under the European Recreational Craft Directive 2013/53/EU

²¹ As specified in paragraph (a) of the definition of inshore limits set out in Rule Part 20.

However, the increased oversight by recognised surveyors in relation to approving vessel design and assessing series production prototypes, and setting clearer expectations for fishing and sailing vessels not constructed under survey, is likely to result in increased costs.

These potential cost impacts would be partially mitigated by the proposal to allow eligible AMSA and Class certified vessels to comply with requirements under their existing certification rather than New Zealand's current or new requirements in some situations. In this situation, much of the required design approval information should already have been completed.

Options analysis

Two options were considered.

Option 1: (Status quo). Recognition of documentation from Australian authorities, Classification Societies, and series production prototype vessels is provided for but the application of the rules varies across the sector.

Option 2: (Preferred option). Increased flexibility for approving a vessel's design and verifying its construction, alongside more explicit oversight by recognised design approval surveyors.

How does Option 2 compare against the status quo

A comparison of Option 2 against the status quo is discussed below and set out in Table 5.

Option 2 is the **preferred option** as it performs strongly against criteria for flexibility and enhanced clarity. Increased clarity would also lead to maintaining and enhancing maritime safety. However, increased oversight by recognised surveyors, in relation to approving vessel design, and clearer expectations for fishing and sailing vessels not constructed under survey, would likely to result in increased costs for operators bringing vessels into the commercial fleet.

The changes provide flexible and adaptive regulation:	Option 2 would increase flexibility through providing an alternative pathway for vessels to have their construction verified, and expanded use of existing documentation for series production vessels and sister ships.
Rules are clear and easier to understand and apply:	Option 2 would clarify roles, responsibilities, and expectations, particularly in relation to the use of documentation associated with AMSA and Class certified vessels. It would also set clear expectations for the oversight and documentation required for series production vessels and lead sister ships.
Maritime safety is maintained or enhanced:	Option 2 would continue to maintain a strong focus on safety, supported by clearer surveyor oversight and more transparent processes for confirming that vessel design and construction requirements are met.

Changes are practical and economically viable:

Option 2 could increase upfront costs due to more comprehensive surveyor involvement, particularly in relation to approving a vessel's design, and additional requirements for fishing and sailing vessels using the structural survey pathway. However, costs could be potentially mitigated to some extent as:

- eligible AMSA and Class certified vessels could comply with some of their existing requirements—the surveyor would be able to review existing design approval documents for these matters instead of undertaking a more detailed design assessment.
- a wider scope would apply to series production vessels and new requirements for sister ships would be introduced—these changes would allow more vessels to rely on existing documentation.

Option 2 would also provide operators with additional options for verifying a vessel's construction, noting that this option is likely to be best suited to less complex vessels.

Table 5: Comparing Option 2 against the status quo

	1. Status Quo	2: Increased oversight and flexibility
Provides flexible and adaptive regulation	0	++
Rules that are clear and easier to understand and apply	0	++
Maritime safety is maintained or enhanced	0	+
Changes are practical and economically viable	0	- to + The implications would depend on the interpretation of how Australian and Class certification is being applied under the current rules, the extent to which fishing and sailing vessels are using the structural survey as a means to meet the construction requirements, and whether a vessel is able to utilise the greater flexibility in relation to series production vessels and sister ships.
Overall assessment	0	+

Key for qualitative judgements:

++ Much better than doing nothing/the status quo/counterfactual

- + Better than doing nothing/the status quo/counterfactual
- 0 About the same as doing nothing/the status quo/counterfactual
- Worse than doing nothing/the status quo/counterfactual
- Much worse than doing nothing/the status quo/counterfactual

What are the marginal costs and benefits of the preferred option?

An overview of the marginal costs and benefits is set out in Appendix 3 of this document.

Questions:

- SC B3.1 Do you agree with the overall approach of clarifying the requirements for approving a vessel's design and verifying its construction? Why / why not?
[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B3.2 Is the proposed approach to allow the use of AMSA and Class documentation clear and appropriate? Do you anticipate any issues with access to, or quality of, AMSA or Class documentation? Why / why not?
[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B3.3 Do you agree with the proposal to introduce an alternative pathway to verify construction that could be used for vessels that were not constructed under survey? If so,
- in what situations would this be appropriate or inappropriate?
- how would the proposed changes affect current practices for fishing and sailing vessels that undertake structural surveys to verify construction?
[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B3.4 Do you agree with increasing the length threshold from "less than 7.5 metres LOA" to "less than 12 metres LOA" for series production vessels? Why / why not?
[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B3.5 Do you agree with the proposed requirement that, in order to use existing documentation from a series production prototype or a lead sister ship, its design needs to be approved and construction verified (for series production prototype only) within the previous 5 years? Why / why not?
[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B3.6 Do you agree that a surveyor should be able consider verified documentation, to be specified in the MTI, from the European Recreational Craft Directive 2013/53/EU,

when approving a vessel's design or verifying its construction? If so, should other constraints be imposed on the use of this information, for example, the size of the vessel? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

Proposal 4: Defining what a major alteration or major operational change is and specifying the standards and survey requirements that would be required as a result of the change

What we are proposing

The proposed new survey and certification requirements include more detail on what a major physical or operational change to a vessel means and what needs to happen when a change is made.

Defining the physical and operational changes that require additional surveyor scrutiny

The use of the following terms are proposed to describe a major change to a vessel:

- **major alteration:** this term would be used as a single term to describe what the current rules refer to as major modification, major alteration, or major repair
- **major change to a ship's operation:** this phrase would be used to describe the types of changes to a vessel's scope of certification and other changes to the operation of the vessel that would require additional surveyor scrutiny.

Further detailed explanations of the terms to be included within the rule and MTI

The proposed new survey and certification requirements would provide additional detail on what would qualify as a major alteration or major change to a vessel's operation.

High level definitions of these terms would be included in the Rule for survey and certification²² and describe when a change is considered 'major' (as per Box 2).

Box 2: High level definitions

Major alteration: –

- means a material alteration or repair to the design or structure of the ship; its systems or equipment; or its electrical installations, as specified in an MTI
- includes the replacement, removal, or addition of non-permanent parts if they alteration or repair is specified in the MTI
- does not include direct like-for-like repairs or replacement of parts.

A major change to a ship's operation: – means any change to the ship's category, activity, type, or to how or where the ship operates, or who or what the ship carries, that is specified in an MTI as increasing the ship's overall operational risk.

Detailed descriptions of what would constitute the different types of changes would be included in an appendix to the MTI survey and certification.²³ For example, a major alteration would include the installation of a new switchboard or relocation of existing switchboard.

The proposed list of detailed descriptions is set out in Appendix 2 of this document. It was

²² Part 1A: Maritime (Design, Construction, and Equipment – Survey and Certification) Rules – Draft for Consultation

²³ Part 1A: Maritime Transport (Survey and Certification) Instrument – Draft for Consultation

developed with reference to Maritime NZ's guidance on major modifications and repairs, and descriptions of major change provisions outlined in Australia's Marine Order 503.²⁴

Action in response to a major alteration or major change to a vessel's operation

Under the proposed new survey and certification requirements, a major change (as listed in Appendix 2 of this document) would not automatically trigger a specific outcome. Instead, it would require active consideration by a surveyor and appropriate follow up action as set out below.

Active consideration by a surveyor

A major alteration or major change to a vessel's operation might be proposed by the operator or identified during a survey. Under the proposed new survey and certification requirements, the surveyor would be required to assess the degree and nature of the risk posed by the change and determine if one or more of the following actions would be required:

- a full or partial design approval survey
- verification of the construction work undertaken
- a new or revised stability assessment
- remedial actions to the vessel, its structure, systems, or equipment to ensure compliance.

Upgrade to meet to new requirements, in some cases

The proposed new survey and certification requirements would require those aspects of the vessel, or its operation, directly or indirectly impacted by a change to comply with the new DCE rules.

An example of a direct impact is when a watertight or weathertight opening is altered, the revised opening would need to meet the new watertight and weathertight requirements. An example of an indirect impact that may require further consideration would be when a liferaft is added to the vessel. Depending on its location, a surveyor may determine that the vessel needs its stability reassessed. This stability assessment would need to be undertaken in accordance with the proposed new stability assessment requirements.²⁵

Under the proposed approach, all other aspects of the vessel that are not impacted by the change would be able to continue to comply with the requirements that apply to the vessel before the change.

Note: a vessel in the New Zealand commercial fleet prior to the rules taking effect would not be required to meet the new DCE rules relating to access for disabled passengers and other passengers requiring special assistance solely as a result of a major alteration or major change to its operation.²⁶

²⁴ Australia's Marine Order 503 – Certificates of Survey – national law (<https://www.amsa.gov.au/marine-order-503-certificates-survey-national-law>)

²⁵ Part 3B: Maritime (Design, Construction, and Equipment – Stability, Drainage, Freeboard and Subdivision) Rules

²⁶ Part 3I: Maritime (Design, Construction, and Equipment – Accommodation, Access, Escape, and Personal Safety) Rules

Status quo and rationale for change

Definition of a major physical and operational change to a vessel

The current rules use a range of terms to describe a physical or operational change to a vessel that triggers further surveyor scrutiny. These terms are used in different combinations throughout the current rules.

Physical change

Currently the terms major alteration, major modification, or major repair are used to describe a physical change to a vessel that requires further surveyor scrutiny. These terms have similar and overlapping meanings across the current rules and are used individually or in combination.

These current definitions rely on whether the change is “significant” (refer to Box 3). However, the rules do not provide further clarification about what is significant. This leaves the interpretation to guidance and the professional judgement of the surveyor.

Relying on something being determined as “significant” is open to inconsistent interpretation. A change does not have to be substantial to be significant. For example, if a vessel is already operating close to the upper limits of its safety margin, then small changes in propulsive power or carrying capacity could be significant.

The proposal seeks to provide clearer detail on the types of changes that require further surveyor scrutiny, and to consolidate these within a single location in the rule set. This approach aligns with Australia’s system, where major changes requiring additional action are explicitly set out in Marine Order 503.²⁷

Box 3: Definition from Maritime Rule Part 40A

Major alteration or modification means: the alteration or modification of a ship, including the replacement, removal or addition of:

- (a) any part of a ship that is likely to
 - (i) **significantly** affect the structural integrity, tonnage, freeboard, cargo, or passenger capacity, crew or passenger accommodation, conditions of assignment of load line, watertight subdivision, stability, structural fire protection, or
 - (ii) result in **significant** changes to the propulsion machinery, auxiliary machinery, steering or method of propulsion of the ship; and
- (b) any safety equipment on the ship.

Major repair means a repair in respect of any damage, defect, breakdown or grounding of a ship that is likely to **significantly** affect the structural integrity, conditions of assignment of load line, watertight subdivision, stability, structural fire protection, main propulsion machinery, method of propulsion, steering gear, or vital auxiliary machinery of the ship.

²⁷ Australia’s Marine Order 503 – Certificates of Survey – national law (<https://www.amsa.gov.au/marine-order-503-certificates-survey-national-law>)

Operational change

An operational change is currently described using varying terms across the rules, including a change in a vessel's scope of certification, a permanent change to its operating limits, or a change of use. The terminology is dependent on the context in which it is applied.

These descriptions are broad, particularly in relation to matters captured within a vessel's scope of certification. A change to any of these matters may result in vessels being required to undergo unnecessary surveys where there has been a relatively minor operational change.

The proposed new survey and certification requirements provide greater clarity around which operational changes warrant further surveyor scrutiny, while ensuring that other changes to a vessel's scope of certification continue to be appropriately managed without imposing disproportionate compliance requirements.

Actions that would be required in relation to a major physical or operational change

Under the current rules, a surveyor undertaking a survey in relation to a major repair, major modification, or change to the vessel's scope of certification would need to:²⁸

- assess the degree and nature of, and risks associated with, the repair, modification, or change of scope
- require the application of such provisions the surveyor considers appropriate taking into consideration the risk assessment above.

The operator may be required to undertake one or more of the following actions in response to a major physical or operational change (note that the specific triggers differ):

- a vessel "design approval" would be required if there has been a major alteration, operating limits are permanently changed or, in the case of passenger vessels, passenger capacity has increased²⁹
- some vessels may need to undertake specific processes if a major change has occurred, e.g., tests and information for electrical system installations if there has been a major alteration or modification³⁰
- older vessels³¹ may need to meet higher standards, or undertake additional tests, if they have undergone a major change but only in relation to a limited range of matters, for example, stability, bilge pumps and if the vessel it is a pre-2010 sailing vessel.

There are limited specifications within the current rules regarding both the scope of assessments and the standards a vessel must meet following a significant physical or operational change. For example, where a vessel has undergone a major alteration, its design must be approved, but the rules do not indicate whether this requires a full or partial assessment. There is also limited direction on the specific standards that apply when a vessel undergoes a major physical or operational change.

Once the threshold for a major physical or operational change has been met, requiring prescriptive actions without clearly defining the level of assessment required or the standards to be applied may result in unnecessary costs. For example, aspects of a vessel could be assessed or upgraded unnecessarily.

The proposed new survey and certification requirements seek to introduce greater clarity and

certainty in determining the appropriate level of assessment and action following a major alteration or a major change to a ship's operation by:

- specifying the key matters a surveyor must consider if there has been a major change (e.g., design, construction, stability, and compliance with applicable rules)
- providing flexibility around the nature and extent of action required that is guided by the surveyor's assessment of risk
- ensuring requirements are clearly described, with a focus on the aspects of the vessel affected by the change (this aligns with a proposal recently consulted on by AMSA).³²

Impact of the proposed change

The proposal is expected to have an overall positive impact for operators and surveyors. It would clarify what constitutes a major alteration or major operational change and adopt a risk-based approach to determining the appropriate response, including the level of assessment and applicable standards. It would also support improvements in safety standards across the commercial fleet, as those aspects of the vessel directly and indirectly affected by the change would be required to meet the new requirements.

The detailed descriptions of a major alteration and operational change largely reflect existing Maritime NZ guidance. They also broadly align with similar triggers within Australia's Marine Order 503. Consolidating the descriptions of these terms within the proposed new survey and certification requirements is expected to improve clarity, consistency, and accessibility.

However, there would be some cost implications of the revised approach over and above the current approach. Operators may incur additional costs where a change triggers the need to meet updated standards. The proposed approach would reduce these impacts by only requiring the part of the vessel directly or indirectly impacted by the change to meet the new rules, i.e., the approach would not require wholesale upgrades to the new requirements.

In addition, over the short term, the new approach may require increased engagement between operators and surveyors to determine how the rules would apply in specific circumstances. This could potentially increase costs in terms of surveyor time. However, over time these impacts are expected to be offset by greater clarity and flexibility. The need for reassessment should reduce where risks have not materially changed, and upgrades would be limited to those aspects of the vessel that are impacted by the change.

²⁸ Maritime Rule Part 44, Appendix 2, Section 1.4.1

²⁹ Maritime Rule Part 40 A/C/D.7 (1)(c) and 40E.5(2)

³⁰ Maritime Rule 40A.45 and 40C.42

³¹ Pre-27 May 2004 passenger and non-passenger vessels and pre-2010 sailing vessels

³² <https://www.amsa.gov.au/news-community/news-and-media-releases/consultation-now-open-changes-certificate-survey>

Options analysis

Two options were considered.

Option 1: (Status quo). Multiple terms describe a change to a vessel, reliance on interpretation of what is “significant,” largely prescriptive actions required in response to a change, and limited requirements to meet updated standards.

Option 2: (Preferred option). Simplified terms supported by detailed descriptors of what constitutes major change, with risk-based surveyor decisions and targeted upgrade requirements.

How does Option 2 compare against the status quo

A comparison of the Option 2 against the status quo is discussed below and set out in Table 6.

Option 2 is the **preferred option** as it performs strongly against criteria for, flexibility, enhanced clarity and maintaining and enhancing maritime safety.

The changes provide flexible and adaptive regulation:	Option 2 provides flexibility by enabling surveyors to assess the change and determine appropriate actions based on risk, rather than prescribing fixed assessments that must be met if a vessel has undergone a major change.
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Rules are clear and easier to understand and apply:	Option 2 would simplify the terminology in the rules by using the terms major alteration and major change to a ship’s operation to describe a change. This would be supported by more detailed descriptions of what constitutes a change set out in the MTI. Option 2 would also provide greater clarity about the process and actions following a major change.
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Maritime safety is maintained or enhanced:	Option 2 would support progressive improvement in safety standards of vessels in the commercial fleet. It would require targeted upgrades of vessels as part of undertaking a major alteration or if the change in a vessel’s operation altered what requirements they would need to meet.
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Changes are practical and economically viable:	Targeted upgrades to the parts of a vessel that have changed may impose additional costs. However, the new requirements would often be accommodated as part of the change already being undertaken. Applying a risk-based approach would help avoid vessels being required to undertake unnecessary assessments or upgrades as part of a change.
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Table 6: Comparing Option 2 against the status quo

	1. Status Quo	2: Simplified terms, risk-based surveyor decisions and targeted upgrade requirements.
Provides flexible and adaptive regulation	0	++
Rules that are clear and easier to understand and apply	0	++
Maritime safety is maintained or enhanced	0	++
Changes are practical and economically viable	0	+
Overall assessment	0	++

Key for qualitative judgements:

- ++ Much better than doing nothing/the status quo/counterfactual
- + Better than doing nothing/the status quo/counterfactual
- 0 About the same as doing nothing/the status quo/counterfactual
- Worse than doing nothing/the status quo/counterfactual
- Much worse than doing nothing/the status quo/counterfactual

What are the marginal costs and benefits of the preferred option?

An overview of the marginal costs and benefits is set out in Appendix 3 of this document.

Questions:

- SC B4.1 Are the proposed definitions of “major alteration” and “major change to a ship’s operation” clear and workable in practice? Why / why not?
- [Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]
- SC B4.2 Do the detailed descriptions of the different changes, listed in Appendix 2, appropriately capture the types of changes that should trigger additional scrutiny? Are any key examples missing or unnecessary? Why / why not?
- [Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

- SC B4.3 Do you support the proposed risk-based approach that provide surveyors with discretion? Do you think this will lead to consistent decision-making? Why / why not?
- SC B4.4 Is the approach of requiring upgrades only for areas directly or indirectly impacted by a change appropriate and practical to apply? Why / why not?
- SC B4.5 What impacts (cost, time, or operational) do you expect from this proposal, particularly in the short term versus longer term?

Proposal 5: Undertaking aspects of a survey remotely

What we are proposing

It is proposed that the new survey and certification requirements would expressly allow for a surveyor to conduct aspects of an intermediate, renewal or non-scheduled survey remotely, as an alternative to being in attendance on the vessel, if:

- the aspect of the survey undertaken remotely is used to confirm that any non-compliances detected during an in-person survey have been rectified
- the surveyor is satisfied on reasonable grounds that a survey conducted remotely could achieve the same level of assurance as a survey undertaken with a surveyor in attendance
- any matters confirmed as compliant using a survey conducted remotely are recorded in the survey report and reviewed at the next in-person survey.

Surveyors would be required to use appropriate information and communications technology when undertaking aspects of a survey remotely.

The proposed new requirements would also clarify that administrative tasks or documentary checks would be able to be undertaken remotely. For example, this would include inspecting certificates, record books, operating manuals, and other instructions.

Status quo and rationale for change

Status quo

A survey consists of a combination of physical inspections (potentially over multiple follow up visits), review of documentation, and telephone or online discussions. The current rules are not clear whether some aspects of these surveys can be undertaken remotely.

The varied nature of vessels in the commercial fleet and the issues that can arise between surveys makes in-person attendance by a surveyor an important component of the system. The importance of in-person attendance is reflected in a surveyor's Certificate of Surveyor Recognition. This includes a general condition that a surveyor cannot record the findings of a survey, or design approval, unless they personally undertook the survey.³³ Guidance issued by Maritime NZ has emphasised this requirement.³⁴

However, there have been moves internationally to clarify situations when it might be appropriate to allow some aspects of a survey to be undertaken remotely. In 2022, the International Association for Class Societies (IACS) developed a unified standard³⁵ to support moves to allow limited survey activities to be undertaken remotely for vessels surveyed to Class. The International Maritime Organisation (IMO) also considers remote survey in its

³³ Issued in accordance with sections 41 and 270 of the Maritime Transport Act, rule 44.22 of the maritime rules, and rule 199.680 of the marine protection rules

³⁴ Maritime NZ. Surveying under MOSS – Guidelines for surveying under the Maritime Operator Safety System (MOSS).

³⁵ IACS's Unified Requirement URZ29 – Remote Classification Surveys: 2022

guidance under the harmonised system of survey and certification.³⁶

IACS and the IMO have adopted a cautious approach. They:

- specify the circumstances under which a remote survey could be undertaken, what aspects of the vessel could be assessed, and what follow-up actions would be required
- emphasise that a survey conducted remotely should effectively be the same as one conducted in-person, and would only be appropriate if the level of assurance is not compromised.

Rationale for change

The proposal is consistent with changes internationally as it:

- identifies circumstances where aspects of the survey process could be undertaken remotely
- takes a cautious approach by proposing safeguards to ensure that safety standards would continue to be met.

By clearly defining when remote survey is appropriate, the proposal would provide greater certainty for surveyors and operators, support more efficient use of surveyor resources, and reduce costs for operators without compromising safety outcomes.

Impact of the proposed change

The proposed new survey and certification requirements are likely to have positive impacts on both operators and surveyors. However, the overall monetary impact may be low as the proposal reflects aspects of existing practice, such as assessing documentation and undertaking other administrative tasks remotely.

For surveyors, the proposal would provide greater certainty about which aspects of a survey could be undertaken remotely. In particular, it would clarify that follow up actions after an in-person survey may be undertaken remotely provided specific conditions are met. Allowing some follow up actions to be undertaken remotely would benefit operators by reducing the overall cost of the survey. Surveyors would not need to attend in-person in some situations with the associated reduction in survey, travel and accommodation costs. It is likely that this proposal would be of greater benefit for more remote operators who incur higher surveyor travel costs and have more delays accessing these services.

Options analysis

Two options were considered.

Option 1 (Status quo). The rules remain silent on which aspects of the survey can be undertaken remotely.

³⁶ IMO Resolution A.1186(33). Adopted 2023. Survey Guidelines under the Harmonized System and Certification (HSSC)

Option 2 (Preferred option). Clarifying when a survey would be able to be undertaken remotely and what technology could be used.

How does Option 2 compare against the status quo?

A comparison of the Option 2 against the status quo is discussed below and set out in Table 7.

Option 2 is the **preferred option** as it rates well against all criteria. This option balances the need to ensure that there is a robust system in place against the opportunity to provide flexibility where risks can be managed.

The changes provide flexible and adaptive regulation:	Option 2 is risk based. It allows surveyors to undertake some aspects of a survey remotely where safety standards can be maintained. It provides greater flexibility for both the surveyor and operator.
Rules are clear and easier to understand and apply:	Option 2 provides greater clarity about the situations in which a survey could be performed remotely and what process must be followed.
Maritime safety is maintained or enhanced:	Option 2 would maintain maritime safety by only allowing aspects of a survey to be undertaken remotely in circumstances where the surveyor can be reasonably satisfied that the same level of assurance, as an in-person survey, could be achieved. Option 2 could potentially enhance maritime safety by supporting easier access to surveyors and thereby helping ensure corrective actions are followed in a timely manner.
Changes are practical and economically viable:	Option 2 is practical and economically viable to implement.

Table 7: Comparing Option 2 against the status quo

	1. Status Quo	2: Allowing survey to be undertaken remotely in specified circumstances
Provides flexible and adaptive regulation	0	++
Rules that are clear and easier to understand and apply	0	++
Maritime safety is maintained or enhanced	0	+
Changes are practical and economically viable	0	++
Overall assessment	0	++

Key for qualitative judgements:

- ++ Much better than doing nothing/the status quo/counterfactual
- + Better than doing nothing/the status quo/counterfactual
- 0 About the same as doing nothing/the status quo/counterfactual
- Worse than doing nothing/the status quo/counterfactual
- Much worse than doing nothing/the status quo/counterfactual

What are the marginal costs and benefits of the preferred option?

An overview of the marginal costs and benefits is set out in Appendix 3 of this document.

Questions:

SC B5.1 Do you agree with only allowing surveys to be undertaken remotely when they are a follow up to an in-person survey? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

SC B5.2 If you agree with question B5.1, do you agree that the proposed safeguards in place for remote surveys are sufficient to maintain safety? Why / why not?

[Answers: Strongly Agree; Agree; Neutral; Disagree; Strongly Disagree; No comment]

Note: the proposal includes safeguards, including that it would not be able to be

used as part of an initial survey, it can only be used following an in-person survey, and a surveyor must be satisfied if the same level of assurance could be achieved. In addition, any matters confirmed as compliant through a remotely conducted survey would need to be identified in the survey report and reviewed by a surveyor in person at the next survey.

SC B5.3 How workable is the proposal in practice, particularly for verifying compliance remotely and using available technology? What challenges (if any) do you foresee for operators or surveyors?

How to have your say

57. The deadline for providing comment on these proposals is **5pm on Friday 25 September 2026**.
58. This document is part of a package of documents on the proposed changes to the design, construction, and equipment rules. Information on this consultation will be available on Maritime NZ's website.
59. Subject to interest, Maritime NZ will hold online information sessions on the proposals during the weeks of **17 to 21 August and 7 to 11 September 2026**. Please contact us at the email address provided below if you would like to attend a session or if you would like us to contact you to discuss any of the proposals.
60. We welcome any feedback you would like to provide. Submissions can be made by completing the submission form on our website (<https://www.maritimenz.govt.nz/about-us/consultations/dce-40-series-package-3>) or in any other written form; and:
- emailed to us at 40.series@maritimenz.govt.nz; or
 - posted to the Regulatory Reform Projects Team, Maritime NZ, PO Box 25620, Wellington 6140.
61. This document includes questions to help you focus your feedback. Answering the questions is optional.

Submissions are public information

62. Please let us know if your comments are commercially sensitive or if for some other reason you consider they should not be disclosed. If your submission is subject to an Official Information Act (OIA) request, Maritime NZ will consider your confidentiality request in accordance with the grounds for withholding information set out in the OIA.
63. In addition, if you are an individual (that is your comments are made personally and not on behalf of a company or an organisation), please let us know if you have reasons that your identity should not be disclosed.
64. We will acknowledge all submissions that we receive.

Appendix 1: Application of proposed transitional, savings (grandparenting) and related provisions for existing³⁷ and eligible AMSA and Class certified vessels

What are grandparenting and transitional provisions

Grandparenting provisions (also referred to as savings provisions) and transitional provisions are legal tools used when new laws are introduced. They manage how existing rights, obligations, or situations are treated under the new regime:

- grandparenting provisions allow vessels to continue to operate under current rules
- transitional provisions give operators a set time for the vessel to move to the new rules, during the transitional period old rules could still be used.³⁸

How the grandparenting and transitional provisions are to be applied

Table 8 below sets out how the proposed grandparenting, transitional, or related provisions would apply to vessels that are in the New Zealand commercial fleet when the proposed new DCE rules come into effect. It also sets out how the grandparenting and related provisions would apply to eligible AMSA and Class certified vessels³⁹ that enter the commercial fleet after new DCE rules come into effect.

Any vessel not listed in the table would be required to comply with the proposed new DCE rules at the time it enters the New Zealand commercial fleet.

Proposed general approach

If a vessel is in the New Zealand commercial fleet prior to the commencement of the proposed new DCE rules:

- grandparenting provisions would apply where there are no safety concerns or where upgrades are impractical
- transitional provisions would apply where the proposed new rules would deliver safety benefits but operators would need time to comply.

If a vessel is an eligible AMSA and Class certified vessel, it would generally be permitted to comply with the rules they were certified to at the point they entered the New Zealand fleet (i.e., grandparented to their rules), rather than New Zealand's requirements, in the following situations:

- where grandparenting provisions apply to vessels already in the New Zealand commercial fleet

³⁷ For the purpose of this appendix, an existing vessels is a vessel that was in the New Zealand commercial fleet prior to the commencement of the rules.

³⁸ As noted under Proposal 1, the transitional period would include the period where the rules have been made, that is, signed by the Minister, but have not yet come into effect.

³⁹ It is proposed that to be eligible, a vessel would need to have a valid certificate of survey from the Australian Maritime Safety Authority (AMSA) or Class certificate from a recognised Classification Society, be constructed under survey, have entered the Australian domestic commercial fleet after 1 July 2013 (in the case of an AMSA vessel). Note: the criteria for being an eligible vessel is being consulted as part of Package 3 consultation so could change.

- where transitional provisions apply to vessels already in the New Zealand commercial fleet and the requirements applicable to an AMSA or Class certified vessel would be considered equivalent to those in the proposed new DCE rules.

As set out in Proposal 4 the grandparenting provisions would not always apply in situations where a vessel is undergoing or has undergone a major alteration or a major change to its operation. The parts of the vessel impacted by the change may need to meet the new rules.

Any departures from this general approach are noted in the table, with explanations provided in the key below.

Key – Rationale for deviations from the general approach

[^] The requirements for an AMSA-certified or Class-certified vessel would be comparable to the new proposed New Zealand rules. The AMSA or Class certification would be used as evidence those requirements have been met.

+An AMSA-certified vessel would not be required to meet these requirements, as a result, these vessels must meet the new proposed New Zealand rules.

These requirements are not covered by Class rules.

Table 8: Proposed transitional, grandparenting and related provisions

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
1.	Anchors and Cables			
1.1	Provisions related to: - anchors, cables, accessories, windlasses, winches, and capstans.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.
2.	Machinery and Ancillary Equipment			
2.1	Provisions related to requirements for: - valve / cock in fuel feed pipe to isolate the source of fuel.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to Class rules – vessels able to comply with the

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
		before the new rules came into effect.		relevant rules of a recognised Classification Society.
2.2	Provisions related to requirements for: - bilge main and manifold being easily accessible and provided with non-return valves at the manifold for each branch line - bilge pumping and draining from spaces in vessel except propelling machinery space permitted when any 1 watertight compartment flooded - bilge suction pipe must be either located at least 20 percent of breadth of vessel inboard of the vessel's sides to avoid damage in the event of a collision; or provided with non-return valves - bilge suctions fitted in machinery space, 1 suction must be connected to bilge main; other suction must be direct bilge suction led to independent powered pump - the number, type and capacity of bilge pumps - the capacity of an electrically driven submersible bilge pump.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.
2.3	Provisions related to requirements for:	Transitional period – vessels have 2-years	New rules would apply – an AMSA-certified vessel would	New rules would apply – a class-certified vessel

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
	- fuel piping – vent pipe roll-over safety valve - bilge level alarm – cargo and fish holds.	from the date the new rules are made.	be required to meet the new rules.	would be required to meet the new rules
2.4	Provisions related to requirements for: - remote engine shut down - main engine audible or visual alarms.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.
2.5	Provision related to requirement for: - submersible electric bilge pump needs to be on a separate circuit from the float switch or bilge level alarm.	Transitional period – vessels have 5-years from the date the new rules are made	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules. ^	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.^
3.	Radio Equipment			
3.1	Provisions related to the requirement for: - the Master of a passenger vessel less than 12m in length operating within restricted limits would need to carry a means of communication on their person.	New rules would apply – vessels would be required to meet the new rules from the date they come into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
3.2	Provisions related to the requirement for: - the requirement to carry an EPIRB.	Transitional period – vessels to comply either on replacement, or 8-years from date the	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
		new rules are made, whichever comes sooner.		
4.	Electrical			
4.1	Provisions related to requirements for: - separation at the switchboard of circuits for essential equipment - physical separation of the alternative electrical system - labelling at the switchboard and physical separation - visual indication at the steering position - two means of engine-starting if the vessel's engine relies solely on electric starting.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.
4.2	Provisions related to requirements for: - duplicate lamps for navigational lights	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.*	New rules would apply – a class-certified vessel would be required to meet the new rules.
4.3	Provisions related to an option to meet a set of minimum safety standards instead of meeting the new electrical system rules.	Transitional period – vessels have 2-years from the date the new rules are made.	Not applicable <i>Note: Any post 2013 Australian vessel would not need this allowance as it would meet the requirements in AS 3004.2.</i>	Not applicable <i>Note: A Class-certified vessel would not need this allowance as it would meet IEC standards.</i>

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
4.4	Provisions related to requirements for: - alternative source of electrical power - labelling of electrical circuits at switchboard - emergency lighting - duration of emergency lighting - radio power and light	Transitional period – vessels have 5-years from the date the new rules are made.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules. [^]	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society. [^]
4.5	Provisions related to requirements for: - transitional source of power where the vessel as a generator has a source of emergency power - alternative sources of power for electronic compasses	Transitional period – vessels have 5-years from the date the new rules are made.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules. ⁺	Grandparented to Class rules – vessels able to comply with the relevant rules of a recognised Classification Society.
4.6	Provisions related to requirements for: - type and duration of electronic control systems and alarm systems	Transitional period – vessels have 5-years from the date the new rules are made.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules. ⁺	New rules would apply – a class-certified vessel would be required to meet the new rules.
5.	Watertight and Weathertight			
5.1	Provisions related to requirements for: - all items in the weathertight and watertight rules	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	Grandparented to: - Class rules - AMSA rules - NZ rules - in force before the new rules came into effect or - requirements specified in an

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
				IMO instrument ⁴⁰ But in relation to non Class rules - only if supported by documented evidence on the Class certificate or associated documentation stating the rules that apply and that the vessel complies
6.	Life-saving Appliances			
6.1	Provisions related to requirements for: - lifejackets / PFDs – number	Transitional period – vessels have 2-years from the date the new rules are made.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
6.2	Provisions related to requirements for: - lifejackets / PFDs – buoyancy (newtons) - lifejackets / PFDs – standards	Transitional period <i>(for appliances on the vessel when the new rules are made)</i> – appliances have 5-years from the date the new rules are made. Or New rules would apply <i>(for appliances added after the new rules come into effect)</i> – an appliance would	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

⁴⁰ For example, an IMO convention or resolution

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
		be required to meet the new rules		
6.3	Provisions related to requirements for: - carriage of rescue boats	Transitional period – vessels have 5-years from the date the new rules are made.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
6.4	Provisions related to requirements for: - lifebuoys and visual signals - other: - line-throwing appliances (where required) - survival clothing (where required) - marine evacuation systems (not required to have – but if have must meet certain standards) - general emergency alarm and public address system	Transitional period <i>(for appliances on the vessel when the new rules are made)</i> – appliances have 2-years from the date the new rules are made. Or New rules would apply <i>(for appliances added after the new rules come into effect)</i> – an appliance would be required to meet the new rules.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
7.	Stability, Drainage, Freeboards and Subdivision			
7.1	Provisions related to requirements for - stability assessment	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules. <i>Note: grandparenting is conditional on the stability assessment being appropriate for</i>	Grandparented to: - AMSA rules - NZ rules - in force before the new rules came into effect - Requirements specified in an

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
			<i>the complexity of the vessel.</i> ⁴¹	IMO instrument ⁴²
	Provisions related to the following requirement: - drainage.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	But only if supported by documented evidence on the Class certificate or associated documentation stating the rules that apply and that the vessel complies. <i>Note: in relation to stability - grandparenting is conditional on the stability assessment being appropriate for the complexity of the vessel.</i> ⁴³
	Provisions related to the following requirement: - freeboard.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	
	Provisions related to the following requirement: - subdivision.	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules.	
8.	Navigation, Systems and Equipment			
8.1	Provisions related to requirements for: - increased requirements and clarification record keeping for compass adjustment and deviation checks	New rules would apply – an existing vessel would be required to meet the new rules from the	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

⁴¹ Under the new rules the type of stability assessment is dependent on whether the vessel is categorised as a high or low complexity vessel. For example, a high complexity vessels must undergo a comprehensive stability assessment and a stability booklet.

⁴² For example, an IMO convention or resolution

⁴³ As per footnote 39

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
	small close to shore vessels handheld compass must be liquid filled.	date they come into effect.		
8.2	Provisions related to requirements for: - Compasses and other electronic navigational aids to meet the relevant ISO standards, unless vessel is a navigation category 1 vessel (small and tiller steered) or a recognised compass adjuster has determined the existing compass is equivalent - various additional equipment required for larger vessels to better align with SOLAS.	Transitional period <i>(for magnetic compasses on the vessel when the new rules come into effect)</i> – magnetic compasses have 10-years from the date the new rules are made. For all other navigation systems and equipment New rules would apply – an appliance would be required to meet the new rules from the date they come into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
9.	Lifting appliances, Loose Gear, and Working Gear			
9.1	Provisions related to expanded requirements for maintenance of steel wire ropes.	New rules would apply – an existing vessel would be required to meet the new rules from the date they come into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
9.2	Provisions related to requirements for:	Transitional period – vessels have 3-years from the date the new rules are made	New rules would apply – an AMSA-certified vessel would	New rules would apply – a class-certified vessel

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
	- lifting appliance for fishing vessels.		be required to meet the new rules.	would be required to meet the new rules.
10	Accommodation, Access, Escape and Personal Safety			
10.1	Provisions related to accommodation requirements for: - to provide adequate sleeping, eating, cooking, and washing facilities if undertaking a voyage of 24 hours or more - to provide toilets and wash facilities for voyages of 4 hours or more - general crew accommodation requirements (where applicable).	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	Grandparenting to AMSA rules – vessels able to comply with the relevant AMSA rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.#
10.2	Provisions related to the form (e.g., ladder, stairway) of a means of escape from a space	Grandparented for existing sailing vessels – able to comply with the NZ rules in force before the new rules came into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
10.3	Detailed dimension specifications for means of escape	Grandparented for existing vessels – able to comply with the NZ rules in force before the new rules came into effect if a surveyor is satisfied the escape arrangements safe	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
10.4	Requirements that at least one means of escape from a space below the bulkhead deck to not be a watertight door	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect if a surveyor is satisfied on reasonable grounds that structural alteration to create an independent escape route is impracticable or would unduly interfere with the vessel's operations; and - the space is not normally occupied; and - each is capable of being locally operated from both sides; and - crew are adequately trained in the operation of those doors	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
10.5	Provisions related to personal safety requirements for: - courses of evenly spaced guard rails or taut wire must be supported at intervals not exceeding 2200 mm measured from the centre of 1 barrier to the centre of the next	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect if a surveyor is satisfied that: - the safety barriers are capable of	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
	a cockpit that opens aft to sea must have additional guardrails installed so there is no vertical gap of 380 mm	withstanding any foreseeable horizontal forces likely to be applied to them, taking into account the nature of the vessel, it's operational conditions; and any additional safety measures in place there are appropriate measures in place to mitigate the risk of falling overboard from the cockpit.		
10.6	Provisions related to personal safety requirements for: passenger vessels to have minimum bulwark, courses of guardrails, courses of taut wire heights of 1,000 mm (some allowances for lower heights on vessels less than 12 metres LOA provided there are alternative safety measures in place)	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
10.7	Provisions related to personal safety requirements for: conditions for a surveyor allowing lower or no safety barriers than would otherwise be required if they would impede the normal operations of the vessel	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect, provided any alternative safety measures are	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
	- alternative safety measure be recorded on the vessel's Certificate of Survey	recorded on the Certificate of Survey		
10.9	Provisions related to personal safety requirements for open decks that children under 12 years of age have access to: - no single clear opening below the top of the guard rail allows the passage of a sphere with a diameter greater than 125 mm - no openings that could serve as toe holds at heights between 150 mm and 760 mm	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules	New rules would apply – a class-certified vessel would be required to meet the new rules.
10.10	Provisions related to requirements for: - accessibility for passengers with disabilities or in need of special assistance	Grandparented to NZ rules – vessels able to comply with the NZ rules in force before the new rules came into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
11	Fire Protection			
11.1	Provisions related to the following requirements: - stand-alone smoke detectors for some vessels.	New rules would apply – an existing vessel would be required to meet the new rules from the date they come into effect.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.
11.2	Provisions related to requirements for: - fixed fire detection and alarm systems for some vessels - fixed fire extinguishing systems for some vessels	Transitional period – vessels have 2-years from the date the new rules are made.	New rules would apply – an AMSA-certified vessel would be required to meet the new rules.	New rules would apply – a class-certified vessel would be required to meet the new rules.

Part 1A: Survey and Certification: Proposal Summary

	Proposed changes to the current the design, construction and equipment requirements	Eligible vessels		
		Existing vessels – vessels in the NZ commercial fleet when the proposed new Rules come into effect	AMSA-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect	Class-certified vessels – vessels entering the NZ commercial fleet after the proposed new Rules come into effect
11.3	Provisions related requirements for: - structural fire protection for vessels that are categories as high fire risk and 24m or more LLL.	Transitional period – vessels have 5-years from the date the new rules are made.	Grandparented to AMSA rules – vessels able to comply with the relevant AMSA rules. [^]	New rules would apply – a class-certified vessel would be required to meet the new rules.

Appendix 2: Major alteration and major change to a ship's operation

Item	Type of change
1. Major change to the ship's operation	
1.1	Changes to the ship's category, activity, or type, specified on its scope of certification that requires additional or more comprehensive requirements of design, construction, or equipment to be met
1.2	Changes to the operating limits for a ship that permit the ship to proceed beyond the limits previously assigned
1.3	Changes to the ship's operation such that it begins to carry dangerous goods
1.4	Changes to the ship's operation such that it begins to operate overnight, including providing overnight accommodation when it was previously not approved for this use
1.5	Increase in the number of persons carried, or an increase in the number of berths, that exceed the maximum number permitted on the Certificate of Survey
1.6	Change to a ship's operation that would result in it meeting the criteria of a high complexity ship under Part 3B Maritime (Design, Construction, and Equipment – Stability, Drainage, Freeboard and Subdivision) Rules
1.7	Change to a ship's operation that would result in an increase in its fire risk category under Part 3D Maritime (Design, Construction, and Equipment – Fire Protection) Rules
1.8	Initiation of or change to a towing operation such that the ship tows twice its own length or twice its own displacement
2. Major alteration to the design or construction of the ship	
2.1	Changes to a ship's hull or superstructure dimensions (length, beam, depth, height), or its structural integrity
2.2	Increases to the main propulsive power, or changes to the engine or propulsion system that invalidate prior assumptions and calculations used for structural and stability design approval
2.3	Changes to the nature of a system on board that affects watertight/weathertight integrity by fitting or altering any watertight/weathertight aspects, including deck, hatches, entry points, windows/side scuttles, bulkheads, air pipes, ventilators, doors, freeing ports, or ship side valves
2.4	Changes to a ship that, either individually or cumulatively, alter a ship's stability characteristics to the extent the following thresholds are met: • changes to lightship displacement of $\geq 4\%$; or • changes to LCG of $\geq 2\%$; or • changes to VCG of $\geq 1\%$.
2.5	Increases to the windage profile area
2.6	Alteration of any assigned load line, freeboard, or the permitted draught
2.7	Changes to the existing foam/buoyancy elements
2.8	Changes that remove, reposition, add, or modify
	2.8.1 the towing points
	2.8.2 the lifting appliances
	2.8.3 the ballast

Part 1A: Survey and Certification: Proposal Summary

Item	Type of change
	2.8.4 the refrigeration equipment used for preservation of cargo or catch, including changes to the type of refrigerant used
2.9	Changes to means of egress including passageways, stairs, openings, and hatches
2.10	Changes to a lifting appliance on a ship, including increasing the safe working load, or a change that affect its strength, stability, or primary load bearing structure
3. Major alteration to systems and equipment	
3.1	Changes to the number, type, or location of life saving equipment on board
3.2	Changes to the fire protection systems, including fixed detection and alarm systems; fixed fire-extinguishing systems; and fire-resisting divisions or gastight boundaries
3.3	Changes to the fire protection equipment, including the type or location of portable fire extinguishers; arrangements for fire hose pumps, connections, and appliances; and the type or location of firefighters' outfits and breathing apparatus
3.4	Changes to the fuel system, including fuel lines and pumps
3.5	Changes to the ventilation system ducting that passes through a fire-resisting division; or changing automatic fire dampers
3.6	Changes to or addition of an LPG installation
3.7	Changes to the bilge system, including pump type and capacity; bilge main capacity, materials, and arrangements; drainage arrangements and non-return valves; and bilge level alarm
3.8	Changes to auxiliary machinery including machinery used in bilge arrangements, fire protection systems, emergency power generation and ventilation
3.9	Changes to steering gear, including rudder assemblies, propellers, propeller shafts, propeller shaft brackets and seals, stern tube assemblies, and bearings
3.10	Changes to the functioning of the navigation and communication systems
3.11	Changes to anchors or chain cables that require new or alternative certification
4. Major alteration to the electrical installation	
4.1	Installation of a new switchboard; or relocation of the existing switchboard
4.2	Replacement of the electrical wiring in all or a part of the ship; or installation of a new electrical wiring to a newly built section of the ship
4.3	Changing the ship's earthing arrangements, including the earthing arrangements for electrical appliances installed on the ship
4.4	Batteries
	4.4.1 changes to the ship's battery system from conventional (lead-acid) batteries to lithium ion batteries
	4.4.2 replacement of an existing battery or battery bank with a battery or battery bank that produces a higher electrical current

Part 1A: Survey and Certification: Proposal Summary

Item	Type of change
4.5	Engines
	4.5.1 installation of a new engine that is not a like-for like replacement, where the engine's alternator generates electrical power for use in the ship
	4.5.2 installation of a new generator or replacement of a generator with a different model, where the generator provides electrical power for use in operating the ship
4.6	Installation of an inverter; or replacement of an inverter with a different model
4.7	Appliances, control systems, and alarms
	4.7.1 installation of an additional electrical appliance that can draw a current of more than 500 milliamps AC or 3 amps DC (for example a heater, cooking appliance or refrigerator)
	4.7.2 installation of or alteration to an electronic control system or an alarm system where the rules require such systems to be provided with an alternative power supply
	4.7.3 installation of an electric bilge pump, bilge level alarm or bilge pump monitoring system; or changing existing arrangements for an electric bilge pump, bilge level alarm or bilge pump monitoring system (other than routine maintenance or like for like replacement)
4.8	Installation of electric propulsion machinery and controls for electric propulsion machinery
4.9	Installation of a shore power connection, or changes to an existing shore power connection (other than routine maintenance or like for like replacement)

Appendix 3: Marginal cost and benefits

An overview of the marginal costs and benefits of the proposals is set out below.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred proposals compared to taking no action			
Monetised costs Vessel operators	Through the survey process, vessels may be required to meet the new requirements. These costs are describe in the individual DCE proposals consulted on as part of Packages 1, 2 and 3 of DCE Reform Project and not discussed further here.		
Vessel operators	There would likely be costs associated with increased surveyor oversight of the design approval survey process for vessels entering the New Zealand commercial fleet for the first time. Current rules allow some reliance on AMSA and Class certification, but different interpretations of the current requirements has led to variation in the level of surveyor involvement of the design approval process.	Medium Increased surveyor time required as part of the design approval process for AMSA or Class certified vessels entering the commercial fleet for the first time.	Low to Medium It is unclear the extent of surveyor reliance on the design approval documentation associated with AMSA and Class certified vessels in the overall design approval of the vessel.

Part 1A: Survey and Certification: Proposal Summary

Affected groups	Comment	Impact	Evidence Certainty
Vessel operators	The proposed new survey and certification requirements introduce a clear pathway for a vessel, which has not been constructed under survey, to have its construction verified. This would replace the structural survey option for fishing and sailing vessels and set out more specific requirements around what a vessel that has not been constructed under survey must meet.	Medium Increased survey costs for fishing and sailing vessels as a result of increased scrutiny of vessels that have not been constructed under survey. Including costs of associated with destructive and non-destructive testing.	Low to Medium It is unclear the extent to which fishing and sailing vessels utilise the current option to meet the construction survey requirements through a structural survey rather than being constructed under survey.
Non-monetised costs Vessel operators and surveyors	Users of survey and certification requirements would need to become familiar with the new rules.	Medium This is an upfront cost that should reduce over time as the sector, particularly surveyors, use the rules. In many cases the changes to the survey and certification requirements are about the framework of the rules and providing greater clarity about the process rather than setting new requirements.	Low to Medium There has been ongoing engagement with the sector throughout the development of the rules. In addition, Maritime NZ will develop an implementation plan to support the release of the new rules.

Part 1A: Survey and Certification: Proposal Summary

Affected groups	Comment	Impact	Evidence Certainty
Additional benefits of the preferred proposals compared to taking no action			
Monetised benefits Vessel operators	Grandparenting and transitional provisions, included as part of consultation on the survey and certification requirements, would help mitigate the impacts of the proposed new DCE rules by allowing vessels already in the commercial fleet to continue to meet the current rules or give operators time to comply with new requirements for a number of the new requirements. Grandparenting provisions would also apply to eligible AMSA and Class certified vessels in some situations. Where they do apply, eligible vessels would be able to be grandparented to the rules to which they are certified rather than New Zealand's new rules, where considered appropriate. The proposed grandparenting and transitional provisions are set out in Appendix 1 of this document.	High It would avoid the cost of vessels undergoing unnecessary upgrades or alterations where the proposed new rules are not in response to safety concerns or where it is not practical or economically viable to make vessels meet the new requirements.	Medium It is likely that some in the sector would recommend more extensive use of the grandparenting provisions, especially for vessels currently in the commercial fleet.

Part 1A: Survey and Certification: Proposal Summary

Affected groups	Comment	Impact	Evidence Certainty
Non-monetised benefits			
Vessel operators and surveyors	The proposed new survey and certification requirements widen the scope of information that a surveyor can consider when approving a vessels design and verifying its construction.		Medium
Vessel operators and surveyors	The proposed new survey and certification requirements introduce a clear pathway for a vessel, which has not been constructed under survey, to have its construction verified. This would provide an additional pathway by which passenger and non-passenger vessels would be able to have their construction verified.	Low to Medium The additional pathway would provide flexibility around how passenger and non-passenger vessels are able to verify their construction. However, there would likely to be costs associated with the need for destructive and non-destructive testing.	Medium

Part 1A: Survey and Certification: Proposal Summary

Affected groups	Comment	Impact	Evidence Certainty
Vessel operators and surveyors	The proposed new survey and certification requirements would clarify what constitutes a major alteration or operational change and adopt a risk-based approach to determining the appropriate response, including the level of assessment of requirements and when the new requirements would apply.	Medium Greater clarity would improve how these changes are assessed across the commercial fleet. There may be some additional short-term costs associated with the need for increased engagement between surveyors and operators. These are expected to be mitigated over time through greater flexibility, targeted upgrades, and reduced need for reassessment where risks remain unchanged.	Medium
Vessel operators and surveyors	Many of the proposals focus on improving the clarity of some aspects of the survey process and the requirements that need to be met. For example, the actions a vessel must undergo to return to service if its Certificate of Survey is invalid, and when aspects of a survey can be undertaken remotely.	Medium	Medium Surveyors and operators have specifically commented on a lack of clarity in some situations, e.g., returning to service and threshold for a major change to a vessel. Operators have also commented on the inconsistent application of rules in some situations.