

Submission from Port Company CEO Group on New Zealand's potential accession to IMO treaty: MARPOL Annex VI: Prevention of Air Pollution from Ships

The Port Company CEO Group (the Group) comprises the CEOs from Northport, Ports of Auckland, Port of Tauranga, Eastland Port, Napier Port, Port Taranaki, Centreport, Port Marlborough, Port Nelson, Lyttelton Port Company, Prime Port Timaru, Port Otago and Southport.

The Group is grateful for this opportunity to submit on this matter and also for the fact that officials attended our last meeting to brief us on the issues involved in this potential accession.

The Group supports this accession.

It is important that New Zealand be seen as a responsible global citizen. Non-accession would not sit comfortably with our global image.

As a matter of principle the Group believes that New Zealand should be a full participant in all global negotiations that impact on our global competitiveness and has implications for the global environment. This Treaty certainly does this. In this case we do have a concern that we are somewhat late to the party. Previous Government have taken too narrow a view on where our interests lie.

While we support Accession we note that this Treaty will have significant implications for the economy. It will lead to an increase in freight costs and may accelerate a trend to the use of larger ships. It might have implications for the competitiveness of some low margin freight.

At a purely practical level we do wonder whether it is feasible for this Treaty to enter into force on 1 January 2020. Globally there are concerns about the availability of cost efficient low sulphur fuels. The alternative, the use of scrubbers, also takes some time to install. Should it be possible to delay implementation until such time as more compliant fuel was available or to allow all ships travelling to or in New Zealand waters to install scrubbing technology, this would appear sensible. We will need to liaise with the Ministry and Maritime NZ over the practicalities of new policy in this area – both with regard to having lower sulphur fuel available and the disposal of scrubber waste.

Thank you again for the opportunity to submit on this matter.