



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



NZ to Ratify MARPOL Annex VI

New Zealand Associate Transport Minister Julie Anne Genter has confirmed that the country will sign up to Annex VI of MARPOL in late 2021, with the regulations governing 0.5% sulphur content on fuel applying to vessels in its jurisdiction from “early 2022”.

When announcing the decision on December 4 – which has followed much stakeholder debate and consultation – Minister Genter deflected responsibility for New Zealand’s late accession.

“The convention’s regulations limiting sulphur emissions from shipping are due to come into force on January 1, 2020,” states Minister Genter.

“However, as the previous Government did not initiate the process of signing up to this convention, there will be a longer lead in time before these regulations apply to domestic ships.

“This gives our shipping and fishing industries sufficient time to prepare for the new regulations.”

Minister Genter says joining the convention will improve the health and environmental impact of shipping emissions, particularly around New Zealand’s port communities.

“It will give Maritime New Zealand the power to inspect foreign ships for compliance with new emission standards and take enforcement action if necessary.

“Signing up will also ensure New Zealand has a seat at the table as new global greenhouse gas emission maritime regulations are negotiated over the next few years.”

Although welcoming the Government’s announcement, New Zealand Shipping Federation executive director Annabel Young notes her members had long held the viewpoint that accession was an *au fait accompli*.

“Seriously, none of this is a surprise,” says Ms Young.

“Our people are just now working out how many times they will drydock before early 2022.”

Ms Young says the timeframe to implementation would help her members – New Zealand’s coastal shipping operators – to properly budget for the transition.

“They are doing a lot of thinking and planning. Any decisions about new ships have to obviously factor all of this in.

“The concern is always where is the fuel coming from, what will it cost, will it be readily available? The Ministry of Transport say they have been told by the fuel companies that it will be available and that [2020 implementation] would have given some time for that to shake out.”

Ms Young also observes that with certain visiting cruise ship fleets installing exhaust gas scrubbers, it was likely the existing higher-sulphur fuel supply would continue and even move to surplus, thereby potentially lessening costs for her members before they transitioned.

Annex VI will come into effect in Australian waters as per the global timeframe of January 1 next year.

Background

An International Maritime Organization (IMO) convention, MARPOL Annex VI, regulates atmospheric emissions from ships. It will also be the platform for new IMO measures to reduce greenhouse gas emissions from ships, which are expected to be ready in 2023.

The most significant regulatory impact of Annex VI will be new sulphur limits on marine fuel. The current sulphur limit of 3.5% by mass for marine fuels will drop to 0.5% when new Annex VI regulations take effect globally on January 1, 2020. Compliance can be achieved by using low sulphur fuel or fitting an exhaust cleaning system known as a scrubber to reduce emissions to a level equivalent to those from low sulphur fuel.

All ships flagged to Annex VI party states visiting New Zealand will have to comply with the new regulations from that date. Similarly, New Zealand-flagged ships travelling to states that are party to Annex VI will also have to comply.

Almost 100 countries representing 97% of global freight capacity are already signatories to the convention. Subject to the Parliamentary treaty examination process and legislation changes necessary to implement the convention, New Zealand is expected to accede to Annex VI in late 2021. Ships operating only in domestic waters will have until early 2022 to comply, as Annex VI would come into force for New Zealand three months after accession.

December 2019

