

Stakeholder teleconference summary – 5 September 2018

1. Participants: Department of Infrastructure, Regional Development and Cities (Infrastructure); Australian Maritime Safety Authority (AMSA); Department of Environment and Energy (DoEE); Department of Industry, Innovation and Science (DIIS); Department of Foreign Affairs and Trade (DFAT); Department of Defence; Ports Australia; DNV GL; Bioenergy Australia; Ecomaritime; Scope3; Comhar; Deloitte Financial; CWP Renewables; Licella; Woodside; Marubeni Corporation; KPMG; MIAL; and CLIA.
2. Infrastructure provided context around the adoption in April 2018 of the International Maritime Organization's (IMO) initial strategy for the reduction of greenhouse gas (GHG) emissions from ships.
3. A fourth intersessional working group on GHG (ISWG-GHG) and the 73rd Marine Environment Protection Committee (MEPC) meeting will be held from 15-26 October in London to discuss next steps for the initial strategy.
4. The Australian delegation will be working towards the development of an action plan that prioritises candidate measures that deliver tangible outcomes under the IMO banner.
5. Australia has co-sponsored 2 papers; one with Japan and one with Canada and the US. The Japanese paper proposes an action plan to encourage adoption of short-term measures at the latest by 2023. We hope that this paper will promote a pragmatic approach that represents strong middle ground. The Canada and US paper comments on the terms of reference proposed by the IMO Secretariat for a fourth IMO Study on GHG emissions from ships. The paper opposes one of the proposed methods which would look at emissions from ships based on different development status. Development status is not considered an appropriate category on which to base decisions relating to measures.
6. Comments were then provided on the IMO candidate measures to implement the strategy and included:
 - 6.1 There are quick gains to be made that only require minimal changes to conventions – one example is strengthening of the *EEDI* and *SEEMP*;
 - 6.2 There are issues with *operational indicators*, which makes them unsuitable for all situations such as weather and charter conditions. They should be part of the *SEEMP* rather than standalone measures;
 - 6.3 Preference is for voluntary rather than mandatory measures;
 - 6.4 There is limited support for retrofitting existing ships for a 'super' EEDI, as it would be very costly for minimal benefit. Dry docking cycles (generally five yearly) also need to be taken into account for implementation timing, as ships would not be removed from service outside of the normal maintenance cycle.
 - 6.5 There are also challenges for recouping costs of retrofitting – owner vs charterer

- 6.6 Voluntary *National Action Plans* may be a useful way of reporting progress, particularly if they are goal-based. On the other hand, we should be mindful that *national action plans* do not facilitate unilateral actions. It is important to have a global approach to the 'Green Port Award' schemes as national actions risk developing unilateral approaches with shippers having to abide by many different sets of 'rules' in different ports around the world. There may also be flow on costs to goods/cargo coming into Australia.
 - 6.7 The Port of Newcastle is an example of where *integrated port operations and just in time arrival* are working well for ships, minimising fuel use and reducing emissions.
 - 6.8 *Speed reduction* studies would be useful to understand modal shifts that may occur and the impacts of slow steaming on perishable goods as many days can be added to the voyage.
 - 6.9 The development of *alternate fuels* in a maritime application was discussed, suggesting this could proceed rapidly by taking advantage of the aviation industry's requirement for alternate fuel options to meet ICAO standards. This is an Australian business / economy opportunity and there should be discussion around economic or policy incentives that government can put in place.
 - 6.10 Some bulk carriers are now LNG fuelled.
 - 6.11 Small scale waste plastics and biomass conversion is being explored but there are few incentives for this at present and there are challenges with access to markets.
 - 6.12 Australia has a natural competitive advantage for large hydrogen generation plants, particularly in the Pilbara where an 11 GWT wind and solar project is being developed. The WA government supported gas to create local demand and when the industry was viable, the industry moved a larger scale. This could be a useful way to move hydrogen forward.
 - 6.13 AMSA noted that biofuels were discussed at the IMO and the work on ISO standards has included provision for biofuels.
7. Next steps
 - 7.1 All participants were encouraged to **submit input via email by 26 September** to inform the MEPC/ISWG-GHG delegation but stakeholders can submit views at any time.
 - 7.2 Please advise Kelly Edwards (Kelly.edwards@infrastructure.gov.au) and Annalisse Sly (Annalisse.Sly@amsa.gov.au) if you wish to be consulted individually on specific topics
 - 7.3 There will be a face-to-face meeting in November to update on the outcomes of ISWG-GHG 4 and MEPC 73, including expected next steps in the action plan and development of measures.