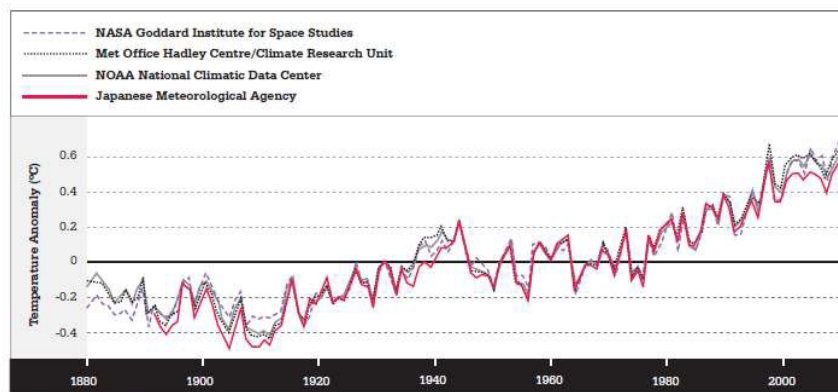


# NATIONAL COUNCIL 2011

## CLIMATE CHANGE AND SHIPPING

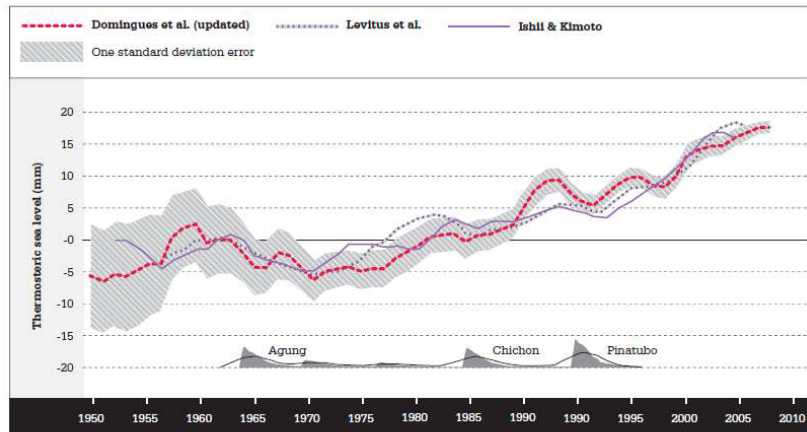
Paddy Crumlin  
Rod Pickette

## Global warming – Temperature rises



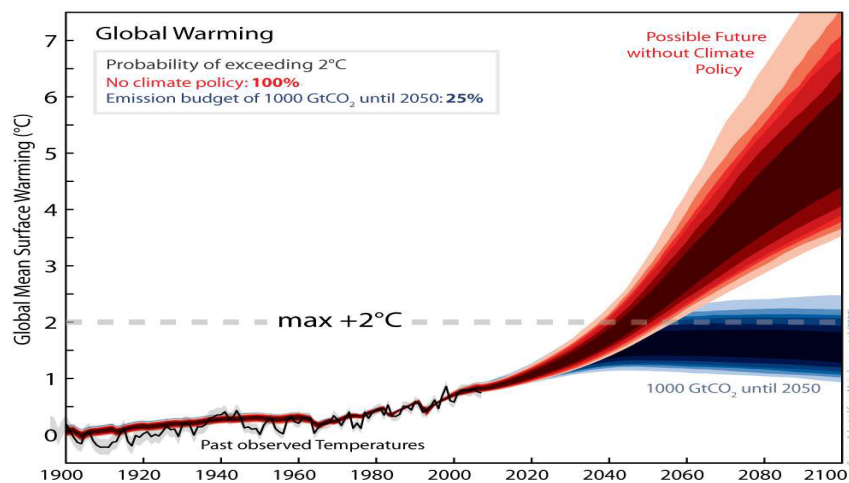
Source: NASA GISS Surface Temperature Analysis.

# Global warming – Sea level rises



Source: Church et al. (2011).

# The trajectory



## **Domestic Shipping and the Carbon Price**

- **Domestic shipping will not be covered by the Carbon Price Mechanism**
- **Instead, it will be covered by an equivalent carbon price**
- **Implemented through a reduction in fuel tax credits**
- **From 2015-16, the fuel tax credit changes will be based on the average carbon price**

## **Domestic Shipping and the Carbon Price**

### **Fuel Tax Credit Reductions c/litre**

<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>6.21</b>	<b>6.521</b>	<b>6.858</b>

## **International Shipping**

- **GHG emissions from international shipping are large and growing**
- **International shipping accounts for approximately 3% of global emissions**
- **International shipping emissions not included as part of countries' Kyoto Protocol commitments**
- **Difficult to assign international emissions to nations**
- **The United Nations Framework Convention on Climate Change (UNFCCC) referred responsibility to the International Maritime Organisation**

## **International Maritime Organisation initiatives**

- **Addresses GHG issues in the Marine Environment Protection Committee (MEPC)**
- **Two GHG Studies: 2000 and 2009**
- **Prior to 2011, minimal progress in MEPC**
- **Two 'tracks' to limit and reduce emissions:**
  - **Energy efficiency measures**
  - **Market-based mechanisms**

## **Energy Efficiency**

- **In July 2011 MEPC62 adopted amendments to MARPOL:**
  - **Energy Efficiency Design Index (EEDI)**
  - **Ship Energy Efficiency Management Plan (SEEMP)**
- **These regulations represent the first ever mandatory global GHG reduction regime for an industry sector**

## **Energy Efficiency – EEDI**

- **EEDI is an energy efficiency target for new ships**
- **Non-prescriptive and performance-based**
- **Phased in from 2013-2025**
- **EEDI provides an incentive for energy efficient technologies and methods**
- **IMO expect 45-50 Mt CO<sub>2</sub> reductions per year by 2020 and 180-240 Mt by 2030, compared to business-as-usual**

## Energy Efficiency – SEEMP

- **SEEMP establishes a method for all ships to improve energy efficiency**
- **A ship-specific SEEMP will be required**
- **Potential measures include:**
  - **Improved hull and propulsion system maintenance**
  - **Improved voyage planning**
  - **Weather routing**
  - **Speed optimisation**
  - **Automated engine management systems**

## Market-Based Measures (MBMs)

- **Regulations such as EEDI have limited emission reduction potential**
- **MBMs most cost-effective instrument with high environmental effectiveness**
- **Two broad options under discussion in IMO:**
  - **Global cap-and-trade (emissions trading) schemes**
  - **Global levies/charges**
- **Discussions of MBMs are at a preliminary stage**

## **Market-Based Measures (MBMs)**

- **A co-benefit of an MBM is that a proportion of revenue raised could be used for climate finance**
- **International shipping identified as a potential source of climate finance in the 2010 UNSG' s AGF Report**

## **ITF Position**

- **The ITF congress in Mexico City in August 2010 adopted a strong resolution on climate change. It was agreed that the ITF should:**
  - **Represent the joint interests of transport workers to secure a just transition to a sustainable transport system based on secure jobs, good wages and decent working conditions.**
  - **Research and develop guidelines and case-studies on how adaptation and mitigation measures might impact on the organisation of work in the transport industry.**
  - **Implement a comprehensive education programme on climate change in all ITF regions to raise awareness and build union capacity to respond to climate change.**
  - **Build a network of affiliates interested in planning and coordinating union activities on climate change.**
  - **Allocate adequate resources for continued work on climate change.**

## **MUA action**

- **On 19 September 2011, Paddy Crumlin wrote to Ministers Combet, Swan and Albanese on Transport Fuels, Taxation and Carbon Pricing**
- **Sought action to resolve inequities in application of transport fuels pricing, exacerbated by decision to place an effective carbon price on transport fuels**
- **Raised concern re foreign ships obtaining a tax advantage relative to Australian registered and licensed ships**
- **Sought action to ensure the climate action agenda is applied to domestic shipping so that it incentivises the revitalisation of Australian shipping**