

Strategy for Maritime New Zealand's International Engagement 2018 to 2023

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1. Introduction

Given New Zealand's economic dependence on quality global shipping, on behalf of Government, Maritime NZ is an active and well-respected participant in, or member of, a number of international and regional organisations and networks relevant to recreational and commercial maritime safety, security, marine environmental matters, and incident response and rescue coordination.

This strategy outlines the focus and objectives in relation to this international engagement activity. Its purpose is to ensure that international engagement activities undertaken by Maritime NZ are understood and managed in respect to their priority and costs compared to the benefits they provide for New Zealand and the opportunities they provide individually and relative to each other.

2. Strategic context

As an island nation distant from international markets, New Zealand is highly dependent on safe, efficient and quality shipping. Close to 99% of New Zealand's freight exports are transported by sea, with a combined value of more than \$75 billion per annum.¹ Shipping is the most efficient and cost-effective method of transporting our goods globally.

International tourism is a major export earner for New Zealand.² Ship-based tourism plays an important role and is the fastest growing sector in our tourism industry. It brings passengers and critically important expenditure directly into regional economies across New Zealand. The cruise sector added \$436 million to the New Zealand economy in the 2014 - 2015 season, and forecasts estimate this rose to \$543 million in 2015 - 2016.³ Government and industry anticipate larger passenger ships (over 350 meters) will visit New Zealand during the next five years, as older vessels in the global fleet are redeployed to Oceania to meet high cruise demand in Australia and New Zealand.⁴

Domestically, shipping is also part of our transport system for bulk commodities, harbour and inter-island ferry services, and could play a much bigger role.⁵

We acknowledge the importance of the international environment in our Statement of Intent and one of our strategic pivots is to 'increase our influence in the international regulatory environment'. This reflects the fact that what occurs in the international environment impacts significantly on safety, security and environmental outcomes in New Zealand. Safe, clean and efficient shipping is essential to New Zealand's future sustainable economic growth.

New Zealand is also responsible for one of the largest and most remote Search and Rescue (SAR) areas in the world – 30 million square kilometres over the Ross Sea and a large part of the Pacific. This SAR area extends from the mid-Tasman Sea, halfway to Chile, and from the South Pole, almost up to the Equator.

¹ 49 million tonnes of exports (99 percent by weight of all exports) and imports, with a combined value of more than \$75 billion each year. Sourced from <http://www.transport.govt.nz/sea/>. Sourced on 3rd October 2016.

² MBIE Business Growth Agenda "Export Markets".

³ <http://cruisew Zealand.org.nz/data/>

⁴ Reference MBIE Cruise sector report from August 2016.

⁵ <http://www.transport.govt.nz/sea/>

3. International engagement overview

For the purposes of this strategy, international engagement is defined as all engagement between Maritime NZ and States, organisations, bodies or forums outside of New Zealand (whether that engagement occurs in New Zealand or overseas).

International engagement can include:

- bilateral interactions – for example with the Australian Maritime Safety Authority, Maritime and Coastguard Agency (UK), or an NGO; or technical cooperation activities with a Pacific island nation as part of Maritime NZ's delivery of the Ministry of Foreign Affairs and Trade funded Pacific Maritime Safety Programme; or
- multilateral interactions with regional or global forums – for example the International Maritime Organization (IMO); the Tokyo-Memorandum of Understanding (Tokyo-MOU – the regional organisation that coordinates port state control activities in the Asia Pacific under the umbrella of the IMO); the Asia Pacific Heads of Maritime Safety Agencies (APHOMSA) network; the Australia New Zealand Safe Boating Education Group (ANZSBEG); the International Civil Aviation Organization (ICAO) etc; or
- on-going cooperation at the international level, for example engagements where SAR coordination, radio and beacon standards are discussed.

It should be noted that one of the key relationships is with the IMO – the UN agency which regulates shipping. As a specialised UN agency, the IMO is the global standard-setting authority for the safety, security and environmental performance of international shipping. Its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and universally implemented. International standards set at the IMO also enhance the safety of mariners and passengers. Active participation in this forum enables New Zealand to benefit from international best practice of 172 Member States, to efficiently and safely get products and people to market while also protecting our marine environment for all New Zealanders.

New Zealand is a signatory to 29 IMO conventions and protocols. The IMO has a high output “treaty system”, which places a burden on member states to remain up to date with implementing legislation and compliance activities.

4. Need for prioritisation and coordination

New Zealand has a limited capacity to consider and adopt new international conventions, recommendations and guidelines, which means that we may not get the full benefit out of participation, and risk falling behind international best-practice.

A large number of maritime treaties to which New Zealand is already party have “tacit acceptance” mechanisms which means that on-going amendments to the treaties apply to New Zealand unless we actively object within a determined timeframe. Unless we maintain effective engagement, this poses the risk that the government will become subject to new obligations that it did not want to accept and has not properly implemented in domestic law.

Many maritime treaties and amendments require implementation in New Zealand law to be effective, but resource constraints make this challenging. New Zealand has not historically adopted, updated and implemented these conventions in a timely manner, particularly in areas of rule-making, such as SOLAS, or implementation, such as the Ballast Water Management Convention.

This requires a coordinated and planned approach within and across Maritime NZ and across relevant agencies (such as the Ministry of Transport, Ministry of Foreign Affairs and Trade, Ministry for the Environment and MPI). Industry also expects the New Zealand government to take their interests into account when forming a position on international issues. This requires effective engagement that identifies industry interest and concerns.

5. Benefits of international engagement

International engagement can enable us to influence international decision-making, and enhance New Zealand's reputation as a responsible maritime participant. This includes contributing to initiatives to protect our security, improve the lives of seafarers world-wide, and to enhance environmental protection and safety of New Zealand. As a small nation, New Zealand has a strong interest in supporting a rules-based multilateral system. Proactive engagement also allows New Zealand to pick and choose the international standards which are pertinent and beneficial for New Zealand.

Trade facilitation

International rule-making facilitates trade through regulating the global shipping industry. It provides predictability and certainty in the transportation of sea freight across multiple jurisdictions, thereby enabling us to get products to markets. This is vital for a country like New Zealand which is reliant on external trade.

New Zealand's trade is serviced almost exclusively by foreign ships. It is through international law that New Zealand is able to enforce international standards, thus ensuring the quality and efficiency of shipping. International law also provides ship owners with certainty on the standards that apply to their ships (e.g. on safety and pollution prevention), and assurance is provided for the care and safe delivery of cargo.

Maritime NZ's involvement in international engagement provides an opportunity to enhance efficiencies, simplify regulatory requirements and reduce costs for the New Zealand maritime industry and New Zealand Government.

An example of how New Zealand's international engagement can add value for industry was our instrumental involvement during negotiations on the review of the of Timber Deck Cargo Code, where changes were implemented which the New Zealand logging industry has estimated will save them \$5 million per year.

Environmental protection

As an island nation, we have a strong impetus to protect the marine environment. We also have an important role in advancing the marine environmental interests of Antarctica and our Pacific region. As well as bunker fuel, almost 10 million tonnes of oil is transported in tankers around our coastline each year.

Environmental maritime law helps to protect New Zealand's large exclusive economic zone through internationally agreed standards which aim to reduce atmospheric pollution, address climate change including through enhanced energy efficiency for ships, ensure the preservation of ecosystems and biodiversity, and prevent the introduction of polluting substances from ships into the marine environment. When faced with a major incident, there are also practical benefits that flow to New Zealand in terms of access to resources and agreed liability regimes.

Maritime NZ has already achieved a number of environmental 'successes' of importance to New Zealand:

- 'Poor Knights' – New Zealand was successful at creating the only mandatory "area to be avoided" in the world, to protect the Poor Knights marine park off Northland.
- 'Antarctica HFO Ban' – This amendment to the MARPOL convention ensures the protection of the unique ecology of Antarctica from the risk of pollution from heavy grade oil.

Safety and security

Maritime standards include seafarer competency standards, vessel and equipment standards, and safe operating practices. Aligning New Zealand policies and practices with international standards ensures uniformity and allows New Zealand's maritime industry to operate internationally. Examples include:

- aligning the seafarer qualifications and operational limits framework with international standards to ensure portability of qualifications;
- International engagement also opens the way for assistance in search and rescue operations. The international Search and Rescue (SAR) plan ensures that wherever an accident occurs it is covered by a SAR organisation. New Zealand has SAR agreements with Australia, New Caledonia, USA, Cook Islands, Fiji, Samoa and Tonga, which includes collaboration on training exercises, liaison and pooling of resources. Maritime NZ has undertaken training and liaison activities with Pacific Island nations within the New Zealand Search and Rescue Region, and develop and implement a Medium Earth Orbit Search and Rescue Project Plan;
- Our international obligation to provide maritime security and intelligence advice and expertise minimizes security threats to New Zealand's maritime interests. Failure to comply with the International Ship and Port Facility Security Code could result in New Zealand being blacklisted and subject to restrictions that would likely inhibit international trade;
- carrying out first inspections of ships registered in other countries when they arrive in New Zealand for compliance with IMO requirements (port state control inspections, based on Tokyo MOU targeting criteria); and
- annual inspection of New Zealand-registered ships that comply with the Convention for Safety of Life at Sea (flag state control inspections).

Information gathering

International engagement facilitates access to information about international best practice. Maritime NZ can learn from other countries' experiences and leverage off international research and expertise. We can also test and seek international approval for New Zealand initiatives. Engagement provides an avenue for developing our bilateral relationships with key maritime partners, and can support our ability to lead useful sharing of information and collaboration on shared issues.

Given the rapid changes in technology and industry practice and the need for continuous improvement, it is important that New Zealand remain up-to-date with current international trends.

6. Categorisation of engagement approach and effort

While there are clearly many benefits to engagement, there are also limits to the level or depth of engagement that is possible. The level of, or commitment to, international engagement will fluctuate dependent on the issue at hand, its priority and or benefit to New Zealand. In general, engagement will broadly fall into one of four categories:

1. 'Influencing the agenda' – where Maritime NZ proactively initiates an issue to be placed on the agenda or work programme of an international forum, and supports and shapes the issue throughout its development and implementation;
2. 'Influencing issues on the agenda' – where issues placed on the agenda or work programme of an international forum by another player may significantly impact or benefit New Zealand, and Maritime NZ actively seeks to shape international outcomes in line with New Zealand's economic, safety and environmental interests as they are developed and implemented at the international level;

3. 'Accepting the agenda' – where our engagement is limited to monitoring and / or accepting international outcomes and issues as they are developed and implemented at the international level; and
4. 'Delivering on the agenda' – where we action agreed deliverables including capacity building and technical cooperation programmes.

For ease of reference these four levels of engagement can be summarised in consecutive order as 'lead', 'push', 'follow' and 'deliver'.

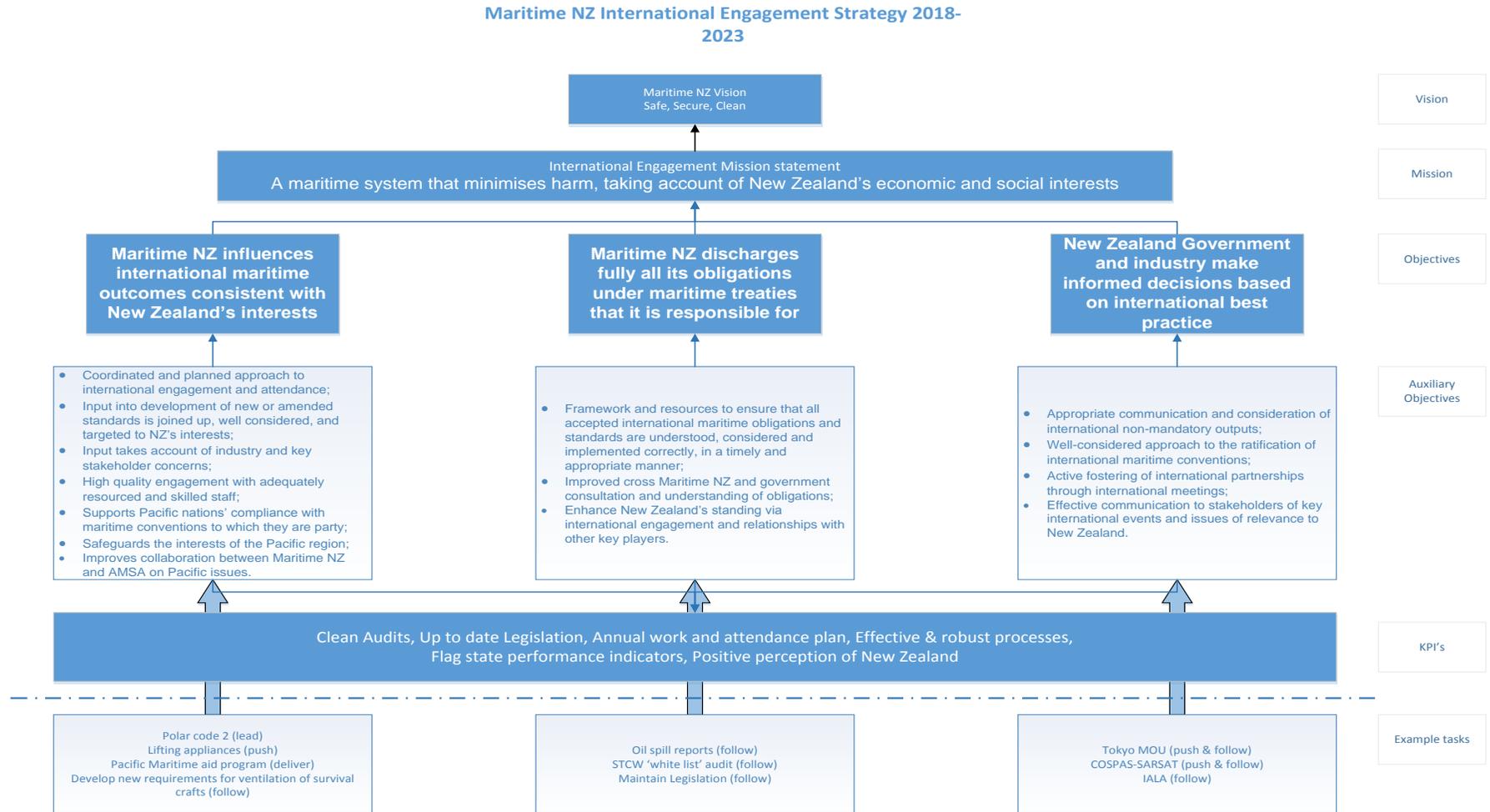
7. Strategic objectives

To meet its obligations and advance the benefits of international engagement outlined above, Maritime NZ has identified three strategic objectives for international engagement in support of its vision and mission. They are:

- Maritime NZ influences international outcomes consistent with New Zealand's interests;
- Maritime NZ discharges fully all its obligations under maritime treaties that it is responsible for; and
- The New Zealand Government and industry make informed decisions based on international best practice.

The diagram below reflects these strategic objectives and the initiatives that support them.

8. Maritime New Zealand International Engagement Strategy 2018 - 2023



Appendix 1: Maritime treaties New Zealand is party to

Maritime New Zealand's responsibilities

Those responsibilities of a specifically technical or safety regulatory nature, including measures to enhance maritime security or related to the prevention of maritime pollution, arising out of the following conventions:

1. International convention for the safety of life at Sea, 1974 and the 1978 and 1988 protocols
2. Convention on the International regulations for preventing collisions at sea 1972
3. International convention on load lines 1966 and the 1988 protocol
4. International convention on tonnage measurement of ships 1969
5. International convention for safe containers 1972
6. International convention on standards of training, certification and watchkeeping for seafarers 1978 as amended in 1995
7. International convention on maritime search and rescue 1979
8. International convention relating to intervention on the high seas in cases of oil pollution casualties 1969 and its 1973 protocol
9. Convention on the international maritime satellite organisation 1976
10. International convention on civil liability for oil pollution damage 1969 and its 1992 protocol
11. International convention on limitation of liability for maritime claims 1976, and its 1996 protocol
12. International convention on the establishment of an international fund for compensation for oil pollution damage 1971, and its 1992 protocol
13. International convention for the prevention of pollution from ships 1973 and the 1978 protocol Annexes I, II, III and V
14. International convention on oil pollution preparedness, response and co-operation 1990
15. International convention on civil liability for bunker oil pollution damage 2001
16. International convention for the control and management of ships' ballast water and sediments 2004
17. Maritime Labour Convention, 2006

Ministry of Transport's responsibilities (for reference)

1. Convention on the Facilitation on International Maritime Traffic (FAL), 1965
2. Contracts for the International Carriage of Goods Wholly or Partly by Sea (Rotterdam Rules)
3. International Convention for the Unification of Certain Rules of Law relating to Bills of Lading (Hague-Visby Rules)
4. Asia Pacific Economic Co-operation (APEC) transportation working group and biennial transport ministerial