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HEALTH AND SAFETY COMMISSION

Cross-Government initiative on ship recycling

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Issue

1. Briefing for Commissioners on the recent report of the Environment, Food and Rural Affairs (EFRA) Committee: Dismantling Defunct Ships in the UK (full report included in annex 1).

Timing

2. There is some urgency should Commissioners wish to contribute to the Government's response to the EFRA Committee's report, the first draft of which is to be completed by mid-December 2004. However a further opportunity to comment will be given on the draft response before it is finalised, a month later.

Recommendation

3. That the Commission notes the attached EFRA Committee report: Dismantling Defunct Ships in the UK, and considers whether it wishes to contribute to a cross-government response.

Background

4. In May 2003, Able UK, a company based in Teesside, applied to HSE to be able to import ships from the USA for breaking and recycling. As the ships contained large quantities of asbestos, this required an exemption from the Asbestos (Prohibitions) Regulations which ban the importation of asbestos.
5. Discussion with colleagues in HSE's Field Operations Directorate (FOD) revealed that there were no health and safety concerns with the operation that would have prevented an exemption being granted. Therefore, following consultation with the then Minister (Des Browne), local MPs, Hartlepool Borough Council, the Government Office for the North East, Environment Agency (EA) and Able UK's own workforce, the decision to grant an exemption was made on 25 July 2003. The exemption certificate, subject to strict conditions, was sent to the Company on 5 September 2003.
6. This is a complex area, legally; and the Environment Agency have a key role in granting the necessary permissions required for contracts of this type to go ahead, such as in those required under the Transfrontier Shipment of Waste Regulations and Waste Management legislation. In addition the project was subject to various other requirements, including environmental impact assessments, planning permission and

Food and Environmental Protection (FEPA) licensing. The lack of an effective co-ordinating mechanism between the departments administering these requirements made the process of applying for permission to carry out ship recycling very unwieldy.

7. The Minister was keen to support moves to encourage the recycling of ships within the UK, in order to avoid the problem of ships being broken up without due regard to health and safety and the environment, possibly in less developed countries, or continuing to be sailed beyond assured seaworthiness, which is an international problem. He therefore wrote to Ministers in other interested departments and agencies on 10 October 2003 to suggest a cross-government initiative to consider the wider issue of the decommissioning of end-of-life ships.
8. Other Ministers were supportive and as a result officials have been engaged in discussions to develop a UK Ship Recycling Strategy, the draft outline and timeline for which are attached (annex 2). This process, which is still at an early stage, is being led by the Department for Environment, Food and Rural Affairs (DEFRA), with HSE and other government departments and agencies contributing as appropriate.
9. On 25 March 2004 the House of Commons EFRA Committee announced an enquiry into the environmental impacts of dismantling defunct ships in the United Kingdom and the methods of disposal to be used. This enquiry was undertaken in the light of the above issues and the International Maritime Organisation (IMO) requirement that single-hulled tankers be phased out by 2015.

Summary of the Report's main findings

10. The EFRA Committee enquiry resulted in the attached report (annex 1). In summary, the report considers:
 - a) How defunct ships are currently dealt with. Most of those ships owned by UK companies when scrapped are sold for breaking outside Europe, mainly in India, Pakistan, Bangladesh and China. Greenpeace has conducted a number of such investigations in India and China and described workers removing material, including asbestos, by hand with no protective clothing, for example. In Asia the value of the scrap metal is such that dismantling yards pay to take the ships, whereas yards in developed countries require payment to do so. There are currently no facilities in England and Wales with the capacity and expertise to dismantle large defunct ships safely.
 - b) Existing legislation and guidelines regulating ship dismantling. There are a number of pieces of national and international regulation that may apply to ship dismantling. A significant element is the Basel Convention, which imposes controls on the international movement of hazardous wastes and is transposed through European Law into UK law by the Transfrontier Shipment of Waste Regulations 1994. In addition there is the question of when a ship should be considered 'waste'. This is important, as it is only when a ship is waste that the various national and international waste regulations apply. The government, in its upcoming role as president of the G8 and the European Union, is urged by the Committee to work towards an internationally binding agreement on ship dismantling.
 - c) Principles of responsible ship recycling. It is extremely difficult to assign responsibility for the way in which a ship is dismantled. However the current owner, regardless of how long they have owned the ship and whether they bought it as a going concern or with the intention of selling it for scrap, should be considered responsible for ensuring that the ship is dismantled to acceptable standards of health, safety and environmental protection. The proximity principle

(under which countries to take responsibility for the waste they produce) is not easily applied to ships, which may be built in one country, owned in another and disposed of in a third. For the Committee, the most important consideration in deciding where a ship should be dismantled is that the levels of health and safety protection for the workers and the environmental protection at ship dismantling facilities meet the highest standards.

- d) Action at the United Kingdom level. The Committee welcomes the Government's decision to produce a ship recycling strategy. The strategy's scope, as outlined by DEFRA, is commended. They also state that they would welcome the development of a thriving ship dismantling industry in the United Kingdom, which dismantled all defunct state-owned vessels to the highest standards of health, safety and environmental protection.

Argument

11. A cross-governmental response to the EFRA Committee report is being compiled by DEFRA. If possible, DEFRA intends to submit this response by 10 January 2005.
12. HSE, together with all other relevant government departments and agencies, has been given an opportunity to comment on the Committee report by mid-December 2004. DEFRA then intends to circulate the draft response for comment.
13. In its formal contribution to the response, HSE intends to stress the importance of health and Safety in the creation of any international standards or shipbreaking facilities.
14. As the UK Ship Recycling Strategy develops, HSE - whilst supporting the goal of a viable UK shipbreaking industry, will stress that health and safety, as well as socio-economic, issues should be taken into account. For example, there is no intention to repeal or modify the Asbestos (Prohibitions) Regulations. We have already made it clear to DEFRA officials that HSE will continue to look at each application for an exemption on a case-by-case basis.
15. HSC is invited to contribute to the government response, by commenting either on the EFRA Committee report or on the draft response that will be circulated in December.

Action

16. Any comments made by the Commission will be forwarded to DEFRA officials.