



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Low Sulphur Fuel Mandated for Cruise Ships in New South Wales

On 2 June 2015 the NSW parliament released a consultation draft of new regulations which will mandate the use of low sulphur fuel (0.1% or less) by all cruise ships berthing in Sydney Harbour after 1 October 2015 and in all NSW ports after 1 July 2016.

The requirement for all cruise ships to use low sulphur fuel in Sydney Harbour from 1 October 2015 will apply to the Overseas Passenger Terminal at Darling Harbour and the White Bay Cruise Terminal, Sydney's two main cruise terminals.

The draft regulations introduce an offence if any of the engines of a ship use fuel other than low sulphur fuel during berthing operations, for which the Master and Owner are held liable and may be penalised up to \$22,000 in the case of the Master and \$44,000 in the case of Owners. Limited exemptions to the use of low sulphur fuel are provided. However, they do not accommodate ordinary commercial operational constraints and will only apply in exceptional and unexpected circumstances.

Obligations are also imposed on vessel Owners in relation to keeping log books and other records relating to the use of fuel within the regulated ports. The regulations also provide that the relevant authority can approve alternative methods for cruise ships to achieve low sulphur emissions, other than the use of low sulphur fuel. Such methods may include the use of scrubber technology and similar measures, although there has not yet been any confirmation on this or any draft approved methods released.

Obligations are also imposed on those supplying low sulphur fuel to vessels in Sydney Harbour (as of 1 October 2015) and all NSW ports (as of 1 July 2016), to provide a bunker delivery note that complies with Annexes V and VI of MARPOL and a fuel sample sealed and signed by the Master and a representative of the bunker supplier.

The draft regulations can be found [here](#). Any submissions on the draft regulations must be received by 12pm on Monday, 15 June 2015.

Background

The proposed regulations have been introduced following ongoing concerns of local residents of the White Bay Cruise Terminal in relation to noise and air pollution arising from the relocation of part of Sydney's overseas cruise passenger operations to White Bay some years ago.

The relevant authority for regulating air pollution at White Bay is the NSW Environmental Protection Authority (EPA). After a detailed study and consultation process, calls were made for the EPA to introduce new environmental licensing requirements in relation to air and noise pollution for NSW cruise shipping terminals, possibly mandating standards even lower than those internationally accepted under MARPOL. Submissions made by industry appear to have resulted in the adoption of

MARPOL standards in line with international practice, but calls to await the implementation of the new MARPOL standards internationally have been outweighed by the concerns of local residents.

In response to those concerns, on 27 May 2015 the Port Authority of NSW issued a direction suspending all overnight cruise ship berthing at the White Bay Cruise Terminal, until the EPA implements its new regulations in relation to the use of low sulphur fuel in NSW.

Industry Concerns and Action Required

Industry concerns include the physical ability and costs to conduct any necessary vessel modifications by the 1 October 2015 deadline and the potential lack of availability of low sulphur fuel.

Cruise vessel operators berthing in NSW will need to ensure that their vessels are low sulphur fuel compliant, starting from 1 October 2015 for any vessel calls in Sydney Harbour. Measures for the supply of low sulphur fuel will need to be put in place prior to the implementation of the new regulations.

Bunker suppliers will need to review their bunker delivery documentation to ensure that it complies with Annexes V and VI of MARPOL and that the new fuel sampling requirements are complied with.

Nathan Cecil
Partner
Holding Redlich

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