

**INQUIRY INTO PERFORMANCE OF THE NSW
ENVIRONMENT PROTECTION AUTHORITY**

Organisation: Carnival Australia

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29 August 2014

Stewart Smith
Director
General Purpose Standing Committee No. 5
Parliament House
Macquarie St
Sydney NSW 2000

Dear Mr Smith

SUBMISSION TO GENERAL PURPOSE STANDING COMMITTEE NO 5 – Inquiry into the performance of the NSW Environmental Protection Authority

Carnival Australia welcomes the opportunity to contribute to the General Purpose Standing Committee No 5's inquiry into the performance of the NSW Environmental Protection Authority. Specifically, Carnival Australia would like to take this opportunity to share some observations regarding section 1(b)(v) in the Terms of Reference:

“the regulation of cruise passenger ships at the White Bay Cruise Terminal at Balmain”

Carnival Australia has had and continues to have a constructive and positive dialogue with the NSW Environmental Protection Authority (NSW EPA), as it does with Sydney Ports, the NSW Government, the federal and other state governments.

White Bay Cruise Terminal

The White Bay Cruise Terminal (WBCT) is owned and operated by Sydney Ports and as such Carnival is a client of Sydney Ports. The terminal is used by some of Carnival Australia's smaller cruise ships and is thus one of Australia's major international and domestic tourism gateways. Other cruise companies also use the terminal.

The decision to relocate the previous cruise terminal from Barangaroo to White Bay was made by the then Labor planning minister Tony Kelly MLC, despite concerns raised by a number of stakeholders. A Government review in 2011 after the state election confirmed that a cruise terminal at Barangaroo was incompatible with the vision for the site. Following the findings of the review, the Coalition Government reaffirmed its position that the cruise terminal should be at White Bay.

The construction of the terminal began in 2011 and operations commenced in April 2013.

The cruise industry is a strong contributor to our national economy, and in 2012/13 the estimated total output of the Australian cruise shipping industry was \$2.88 billion. In Sydney, the total direct expenditure from cruise ships in 2012/13 was \$1.0247 billion. Overall, the cruise industry continues to enjoy significant public support and has increased by 20.6 per cent in 2012/13 compared to 2011/12.

The benefits that the cruise industry provides to the NSW economy are growing at a significant rate, and Carnival Australia is committed to continuing to grow the sector and for NSW to continue to reap the benefits of that growth.

The WBCT plays an important part in the Australian cruise industry and is pivotal in ensuring sufficient cruise berthing capacity is available in Sydney, one of Australia's most popular tourism gateways. It is the home port for a number of vessels, where they are "turned" or refuelled, provisioned and passengers embarked and disembarked.

Operational Environment Management Plan

On 2 February 2011, Sydney Ports Corporation received approval for Major Project 10_0069 under Section 75J (now repealed) of the *Environmental Planning and Assessment Act 1979* (NSW) to construct the WBCT, and to operate the facility with berthing for up to two cruise ships, with the second ship serviced by a temporary terminal facility at WB4.

The Conditions of Project Approval required an Operational Environmental Management Plan (OEMP) to be completed for the approved project. The OEMP includes relevant sub-plans to address key issues and related activities, such as traffic, noise and air quality management.

The aim of the OEMP is to provide detailed policies, performance criteria and procedures to minimise the physical, social and environmental impact of activities during operations at the WBCT WB5 and WB4. In particular, the OEMP includes monitoring and reporting mechanisms whereby the performance of the system can be measured and agreed corrective actions implemented in a timely manner in the event of an incident.

The OEMP was prepared in accordance with the Guideline for the Preparation of Environmental Management Plans (DIPNR 2004), and sound engineering and environmental practice.

Several environmental studies were conducted preceding the OEMP, submitted as part of the Environmental Assessment Report (Project Application) by JBA Urban Planning Consultants Pty Ltd (2010). These studies included noise and air quality impact assessments.

The table below lists the current legislation that applies to the operations of the WBCT:

Legislation	Regulatory Authority
<i>Environmental Planning and Assessment Act 1979</i>	NSW Department of Planning and Infrastructure
<i>Heritage Act 1977</i>	NSW Office of Environment and Heritage
<i>Marine Pollution Act 2012</i>	NSW Roads and Maritime Services
<i>Protection of Environment Operations Act 1997</i>	NSW Environment Protection Authority / NSW Roads and Maritime Services
<i>Protection of the Environment Operations (Clean Air) Regulations 2010</i>	NSW Environment Protection Authority
<i>Protection of the Environment Operations (Noise Control) Regulations 2008</i>	NSW Environment Protection Authority / NSW Roads and Maritime Services
<i>Protection of the Environment Operations (Waste) Regulations 2005</i>	NSW Environment Protection Authority

The WBCT opened in April 2013 and Carnival vessels have been using the facility since then.

Cruise ship operations at the WBCT impact on air quality

While operating at the WBCT, Carnival Australia has at all times been compliant with the Operational Air Quality Management Plan for Cruise Operation, a part the overall OEMP. According to the Operational Air Quality Management Plan for Cruise Operations the WBCT must be operated with the objective that emissions to air from cruise ships operating at the WBCT do not result in exceedances of the air quality criteria listed in the table below.

Pollutant	Averaging period	Criteria
Sulphur dioxide (SO ₂)	10-minutes	712 µg/m ³
	1-hour	570 µg/m ³
	24-hours	228 µg/m ³
	Annual	60 µg/m ³
Particulate matter (PM ₁₀)	24-hours	50 µg/m ³
	Annual	30 µg/m ³

Between September 2013 and April 2014 four rounds of air quality monitoring have been conducted by independent specialists to accurately determine the level of emissions associated with cruise ships berthed at the WBCT. The monitoring was commissioned by Sydney Ports. It is worth noting that this monitoring was conducted over the peak of the cruise season and captured 42 ship visits by 17 individual ships.

Results showed no exceedances of allowable limits for either sulphur dioxide or particulate matter were detected at any time during the monitoring.

Results also showed that the highest reading of sulphur dioxide was more than 40 per cent below the allowable limit. Readings for particulate matter were also below allowable limits.

Importantly, these readings were consistent with readings taken simultaneously at other locations such as Rozelle and Randwick. Read together, this data suggests that cruise operations have a minimal effect on air quality in the White Bay/Balmain area.

The results of the monitoring have been made available on Sydney Ports' website.

Carnival Australia is committed to contribute to improve air quality

The International Maritime Organisation's (IMO) ship pollution rules are contained in the *International Convention on the Prevention of Pollution from Ships*, known as MARPOL 73/78. MARPOL Annex VI sets limits on NO_x and SO_x emissions from ship exhausts, and prohibits deliberate emissions of ozone depleting substances. Further, Annex VI of MARPOL introduces a 3.5% sulphur content limit to all fuel oil used on ships by 1 January 2012, and 0.5% by 2020. The 2020 target was negotiated between the international shipping industry, regulators and the IMO (to which Australia has two representatives) with a view to allow sufficient time for the maritime industry to achieve the technical adaption in a commercial sensible way.

Australia is a signatory to MARPOL and local shipping has to comply with the requirements of the convention and annexures.

While Carnival Australia's ships are already well within current emission limits set by the NSW EPA, the company shares the commitment of the NSW EPA to reduce the impact of diesel emissions on air quality and the health of NSW communities, as part of an effort to reduce emissions from all sources.

Carnival is engaging both directly, and also together with the whole shipping industry with the NSW EPA in regard to non-road diesel emissions. Carnival is currently part of a consultation program led by the NSW EPA to address non-road diesel emissions in NSW.

As part of a global industry, Carnival is implementing strategies to reduce global emissions from shipping - including its cruise ships.

As part of this commitment, Carnival is currently undertaking research and development into a range of technologies that address emissions from ships to comply with the international 2020 emissions target for NO_x, SO_x and particulate matter set IMO's Annex VI of MARPOL.

Cruise ship operations at the WBCT impact on noise levels

Noise monitoring has been carried out at the WBCT over a period of time between June 2013 and February 2014. These results indicate that exceedances to noise limits set out in the OEMP have occurred. It has also been brought to the attention of Carnival Australia that local residents have expressed concern regarding noise levels in close proximity to the WBCT.

Carnival Australia appreciates that its operations may have some impact on some aspects of everyday life for residents living adjacent to the WBCT. Carnival Australia takes these residents' concerns seriously, which is why the company has developed its *Good Neighbour Commitment*. The *Good Neighbour Commitment* lays down a list of guidelines to ensure that negative impacts caused by cruise ship visits are minimised.

Key aspects of Carnival Australia's *Good Neighbour Commitment* are:

- **Quiet disembarkation** – Carnival Australia takes a number of steps to keep the inevitable noise of disembarkation to a minimum. For example by refraining from making announcements about disembarkation times and schedules while in port.
- **Ship whistle minimised** – Carnival Australia will do its best to stay quiet, with ship whistles used sparingly for evacuation drills or in case of an emergency.
- **Sail-away fun** – Carnival Australia knows its passengers love to start their holiday the moment that they step on board, but Carnival Australia keeps music and announcements to a minimum until its ships are well on their way.

Carnival Australia is committed to reducing noise levels at the WBCT and as such is always looking for ways it can further limit any negative impacts to the local community of Balmain.

Conclusion

The Operational Environmental Management Plan provides detailed policies, performance criteria and procedures that balance minimising the physical, social and environmental impact of activities during operations at the WBCT WB5 and WB4 with the social and economic benefits for NSW.

Carnival Australia is committed to complying with all regulations relevant to its operations at the WBCT. While operating at the WBCT, Carnival Australia has at all times been compliant with the *Protection of the Environment Operations (Clean Air) Regulations 2010*, which sets out the requirements that Carnival Australia is required to adhere to. As noted earlier, the highest reading of sulphur dioxide was more than 40 per cent below the allowable limit and readings for particulate matter were also below allowable limits.

Residents in close proximity to the WBCT have raised concerns about the noise levels, which in part are caused by berthing cruise ships. Carnival Australia takes these residents' concerns seriously and is committed to reducing any negative impacts on its neighbours in Balmain. As part of this commitment, Carnival Australia has developed its *Good Neighbour Commitment*, and is continually looking at ways it can improve its operations to reduce noise levels, and looks forward, over time, to achieving suitable technical adaption in a sensible and economically sustainable manner.

Carnival Australia remains committed to contributing to the economic growth and environmental sustainability of NSW and the local communities in which we operate.

It is Carnival Australia's firm belief that the cruise industry and the local community can continue to forge a mutually beneficial relationship, and Carnival Australia continues to explore opportunities to promote local industry and businesses to help them share in the economic benefits that the cruise industry brings to NSW.

We appreciate this opportunity to contribute to the Committee's consideration of this important issue, and look forward to continuing to work with the NSW EPA and the NSW Government to grow the cruise industry in an environmentally sustainable manner.

Yours sincerely,

Ann Sherry, AO
Chief Executive Officer
Carnival Australia