



PRE-BUDGET SUBMISSION 2019-20
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CRUISE LINES INTERNATIONAL ASSOCIATION (CLIA) AUSTRALASIA

CLIA is the world's largest cruise association dedicated to the promotion and growth of the cruise industry. It is comprised of more than 50 of the world's major cruise lines and serves as a non-governmental consultative organisation to the International Maritime Organization (IMO). CLIA cruise lines represent more than 95% of global cruise capacity.

THE CRUISE INDUSTRY'S ECONOMIC CONTRIBUTION

The cruise sector is a significant contributor to the Australian economy. Research by AEC Group commissioned by CLIA and the Australian Cruise Association shows that cruise tourism generated \$4.8 billion in direct and indirect economic output for Australia during the 2017-18 financial year. A total of 1,236 ship visits led to 3.5 million passenger and crew visit days, creating expenditure which supported more than 17,000 full time jobs.

Driven by a worldwide boom, the international cruise industry is investing around US\$80 billion in the construction of 115 new cruise ships currently on order and due for delivery between now and 2027. This investment is a sign of confidence that cruising will continue to grow strongly into the future. With the rise of emerging markets in Asia, particularly in China, Australia is well-placed to capitalise on this growth, but only if its infrastructure meets the needs of the industry.

CAPACITY CONSTRAINTS

CLIA and its cruise lines strongly support ongoing investment in Australia's maritime infrastructure. While in recent years Australia has enjoyed strong growth in cruise tourism and now boasts the world's highest level of market penetration, the industry's development faces serious constraints due to the limited availability of berthing facilities in Sydney. Being the country's gateway port and a preferred destination for visiting international cruise passengers, Sydney's limitations have the potential to restrict growth not just in NSW but also in other cities and regional ports nationally and other countries of the South Pacific.

As noted recently in Infrastructure Australia's 2019 Priority List, Sydney's Overseas Passenger Terminal is operating at or near capacity, particularly during the peak summer cruise season. While additional capacity is available at the White Bay Terminal, it is not accessible to larger ships which are unable to fit beneath the Sydney Harbour Bridge. The NSW Government has committed to developing a strategic business case for the development of a third cruise terminal in Sydney, and CLIA supports this process as an important step towards alleviating Sydney's capacity issues.

Despite the scale and prosperity of the cruise industry, recent data suggests growth is being hampered. The number of Australians taking a cruise increased by 21 per cent to 1.28 million in 2016. However, after 10 consecutive years of double-digit increases, the growth rate slipped markedly to 4.4 per cent in 2017 when 1.34 million Australians cruised, an outcome attributed largely to capacity limitations.

A 3RD SYDNEY CRUISE TERMINAL IS CRITICAL TO SUPPORT GROWTH

Without the ability to secure more berthing slots in Sydney, cruise lines are restricted in their ability to schedule additional cruise ship visits, despite strong demand both domestically and internationally. Additional berthing facilities are essential to allow continued growth in cruise tourism and for the cruise industry to realise its full potential in Australia. Alleviating Sydney's capacity constraints will also facilitate further development of cruise tourism in other cities and regional ports where both state and federal government agencies are actively seeking to attract visitation.

CLIA urges the Australian Government to contribute funding to the development of a third cruise terminal in Sydney as a national infrastructure priority, in partnership with the NSW Government and its Cruise Development Plan.

About Cruise Lines International Association (CLIA) – One Industry, One Voice

Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community.

The association covers 5 regions with representation in North and South America, Europe, Asia and Australasia. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment for the close to 30m passengers who cruise annually and is dedicated to promoting the cruise travel experience.

The CLIA Community is comprised of the world's most prestigious ocean, river and specialty cruise lines; a highly trained and certified travel agent community; and cruise line suppliers and partners, including ports & destinations, ship development, suppliers and business services.

The organisation's mission is to be the unified global organisation that helps its members succeed by advocating, educating and promoting for the common interests of the cruise community.



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