



**Australian Government**

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**Department of Industry  
Tourism and Resources**

# **REVIEW OF THE CRUISE INDUSTRY ACTION PLAN**



## Review of cruise industry

- As part of the Tourism White Paper initiative, the Government announced that it would review the 1997 *Action Plan for the Development of the Australia-Pacific Cruise Industry*
- Key issues raised by Cruise Down Under in the Action Plan were: income tax, fuel excise, duty free stores, cabotage, bunker fuel; on-board casinos.



## Consultation process

- Department undertook a series of consultations with other Australian Government Agencies, industry, shipping agents and state and territory governments.
- convened an Inter-Departmental Committee to address the issues and identify and agree Actions.
- responsibility for developing Australia's cruise shipping capability rests with all levels of government and industry.



# Issues

A number of other issues came out during the Review:

- lack of data and research;
- maritime security and border control;
- pollution;
- infrastructure;
- regional dispersal;
- need for a peak industry body.





## Cruise industry trends

- Worldwide 250 ships carried 13.4 million passengers in 2004.
- 303 cruise ships are expected to be in operation by 2006.
- In the US, 10.5 million people took a cruise in 2004 and 11 million expected to cruise in 2005.





## Cruise industry trends

- in 2003 there were 790 port visits by cruise ships in Australia
- these cruise ships carried 360,000 passengers an increase of 20 per cent on 2002.
- 35 per cent increase in Australians who took a cruise holiday in 2004 compared with 2002
- Industry is changing – smaller ‘boutique’ cruise liners



## Research and data

- Establish a cruise shipping data working group to facilitate collection of relevant data.
  - need to collect and provide reliable data on the industry
  - DITR to chair
  - Industry to participate



## Economic Impact study

- Cruise Down Under estimates Cruise contributes \$2.5 billion annually to Australia.
- Department is co-funding an economic impact study of the cruise industry over a number of years to provide firm data
  - objective is to examine the economic benefits that cruise brings
  - the study will establish the size of the industry and estimate impact



## Economic Impact study - ToR

The impacts to be examined will include:

- impact of cruise shipping on key economic indicators (employment, business development and profitability)
- metropolitan vs regional impacts
- impacts on ports according to type of visit
- impacts according to source of expenditure and type
- the relative source of impact from inbound and domestic



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# Infrastructure

- Cruise shipping infrastructure will be considered under the Australian Government's National Tourism Investment Strategy.
- Industry to initiate dialogue with governments, port authorities and developers re need for port facilities





# Border control/ Maritime Security

- AQIS to implement the *Sea Passenger Intervention Review 2004-05* recommendations and communicate to industry
- AQIS will also establish an MOU with Customs to ensure optimum use of resources
- Series of maritime security forums to keep industry updated



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# Visits to protected areas

- Work with state and territory agencies to reduce the regulatory burden on tourism operators in protected areas, including cruise shipping
- Industry to form working group to negotiate with Government and investigate feasibility of developing a standard national permit application process



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# Pollution

- AMSA and state and territory agencies raise awareness of environmental compliance issues with industry
- Industry to ensure cruise ships have appropriately trained staff to operate pollution prevention systems.



# Gaming operations

- Consider use of the Queensland cruise ship gambling Protocol as a model for other states and territories to follow.
  - this issue is a state and territory matter
  - Australian Government will consult with states and territories



# Regional dispersal

- Tourism Australia to continue to work with CDU, STO's and industry to encourage longer stay shore excursions and in particular, pre and post touring into regional destinations.
- Continue to address marketing opportunities to grow the cruise industry in Australia



# CRUISE INDUSTRY FUTURE

- Release Review following final approval
- Implement Actions of the Review
- Work with CDU on the economic impact study
- TA to support CDU in maximising existing marketing opportunities