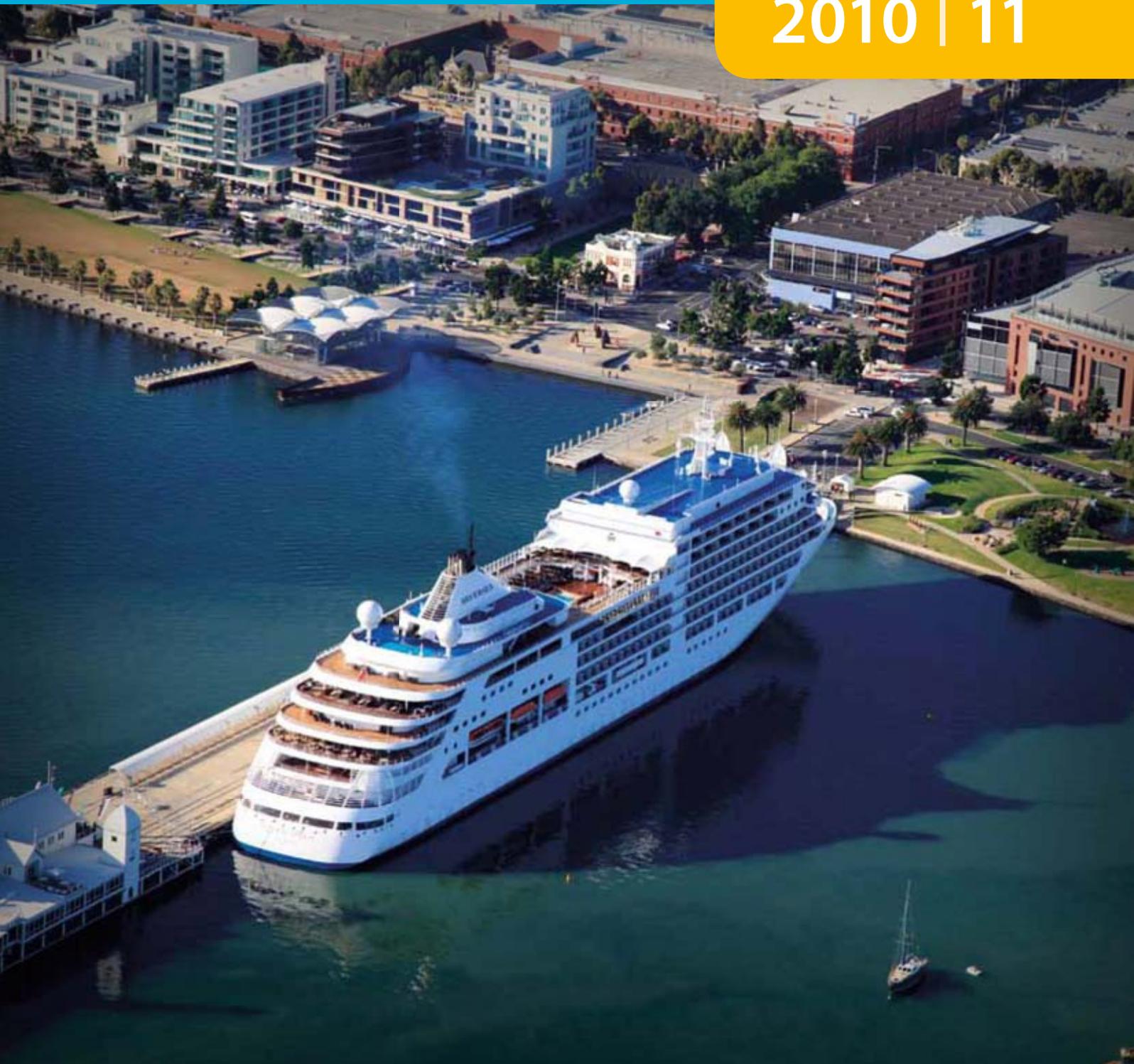


**CRUISE
DOWNUNDER**
your first port of call

annual report
2010 | 11





Cover Photo: Silver Spirit at Geelong courtesy of Geelong Ottway Tourism



Letter to Members

Dear Member

Cruise Down Under 2010-11 Annual Report

I have much pleasure in presenting you with the Annual Report for Cruise Down Under for the period 1 July 2010 to 30 June 2011.

The Annual Report is prepared by the Management Committee in line with accepted business practices and governance principles adopted by the Committee.

I am pleased to report that the Management Committee has met the key objectives outlined in the Annual Operating Plan for 2011. These are highlighted separately in the General Manager's report.

However I will take this opportunity to outline a number of significant strategic outcomes which were delivered during the year:

- The strategic direction and priorities for CDU for the next three years were determined at a full day management committee workshop held in November.
- The General Manager's contract was renewed for a further two years.
- CDU presented a regional overview at the Cruise Shipping Miami Convention.
- The Committee continued to implement its succession plan.

At Cruise Shipping Miami this year, CDU was recognised by the CEO of Seatrade, Chris Hayman, as the oldest cruise shipping association and a model for other associations that have followed. This recognition is something that CDU is extremely proud of and we continue to strive to maintain high standards to ensure that we remain a leading association in the eyes of the cruise industry around the world.

In my first year as Chairman, I would like to personally acknowledge the support and contribution of the Management Committee and their organisations that have provided in-kind support to assist the Management Committee.

I would also like to thank Jill Abel, CDU's General Manager who is the face of CDU and who continues to manage the day to day operations of the organisation. Jill's key focus is on delivering the key actions contained in the Annual Operating Plan. She has also provided myself and the Committee with great support.

Lastly, I would like to thank all CDU members who have maintained their commitment to CDU and given support and provided ideas/direction to the Management Committee.

Yours sincerely

Chris White
Chairman
1 August 2011





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charter

Cruise Down Under (CDU) is the cooperative marketing brand for cruise destinations and service providers to the cruise industry in Australia and the South Pacific.

Cruise Down Under is a non-profit incorporated association formed in 1998.

Cruise Down Under is a membership organisation comprising Australian ports, tourism agencies, cruise lines, shipping agents, inbound tour operators and companies associated with the cruise shipping industry in Australia and the South Pacific.

Vision

Develop and grow the Australia, Asia and South Pacific region (CDU Region) as a major world-class base and destination for cruise ships.

Mission

Cruise Down Under (CDU) is the peak cruise industry association growing and developing the Australia/Pacific region as one of the world's leading cruise destinations providing opportunities for ongoing economic, social and environmental sustainability.

Objective

To influence cruise and charter operators to develop itineraries to increase their cruise ship visits in the CDU region. To achieve this, CDU has set itself the following five key objectives:

Leadership and Governance

Establish strategies to continue the recognition of CDU as the respected industry organisation connecting the broader cruise industry.

Research and Insight

Provide CDU members with useful, accurate and meaningful research and customer information.

Position and Market the Cruise Down Under region as a World-Class Destination

Market and promote the CDU region as an attractive and diverse cruise destination for world-class cruising.

Growing Membership

Grow membership and provide high valued benefits and services to members.

Stakeholder and Partnership Development

Develop greater collaboration and affiliation with stakeholders and partners.



highlights and achievements

2010 Cruise Down Under Conference

The Cruise Down Under Conference “Rise to the Challenge” was held in Brisbane in August 2010. Attendees included 118 delegates and speakers Bruce Krumrine, Princess Cruises and Craig Milan, Royal Caribbean Cruise Lines.

Strategic Planning Session

The Management Committee held a strategic planning session to set the direction of the Association for the next three years. The annual operating plan was implemented.

Cruise Shipping Miami 2011

The Chairman and General Manager headed a CDU delegation at the Cruise Shipping Miami Convention and met key cruise line executives. The Chairman presented with a panel at the session entitled “Where in the World?”

Finance

The Association has maintained a sound financial position during a period of significant economic challenges.

Economic Impact Report

The 2010 Economic Impact Study reported a total expenditure of both international and domestic activity of \$1.28 million including direct expenditure of \$662.6 million. An increase of 16.4% on the previous year. Employment opportunities increased by 10.3% and cruise ship visits increased 11.9%.

Membership

Implementation of Stage 2 of the Membership Strategy concentrated on membership retention.

Marketing and Promotion

The marketing and promotion program included attendance, participation and presenting at relevant conferences, committees, forums and trade shows including speaking at: Cruise Shipping Miami Conference, ATEC Hamilton Island, Western Australia industry forum and Ports and Harbours Conference-Brisbane. Regular contact and strategic advice to cruise lines was a feature of the year.

Management Committee Meetings

Industry/stakeholder information sessions were held in Sydney and Perth to coincide with Management Committee meetings.



general manager's report

It has been another successful year for the cruise industry, with strong growth being experienced in the Australian industry. Cruise Down Under has also had a strong year, meeting and delivering on its strategic objectives outlined in the 2010-11 Annual Business Plan. Membership has also remained stable over the past 12 months.

CDU engaged in a strategic planning workshop in November 2010 to review our strategic direction, and from that session we developed our annual operating plan. The plan identifies five key focus areas.

Our key activities and achievement for 2010-11 are as follows:

Leadership and Governance

CDU has continued to provide strategic input into the National Sea Passenger Facilitation Committee, set up in October 2009 to address a range of inhibitors to the cruise industry on a Government level. The Committee continues to work towards streamlining the efficiencies for cruise operations around the country and has had a

focus in the past 12 months on data collection, Trans-Tasman passenger facilitation, best-practice for passenger processing, non-proclaimed ports and cruise ship reporting requirements.

Research and Insights

The 2010 Cruise Down Under Conference, "Rise to the Challenge", and AGM was held in Brisbane, hosted by Tourism Queensland, Portside Wharf and Brisbane Marketing. The conference attracted a record 118 delegates from Australia, Papua New Guinea, New Caledonia, New Zealand and the USA. Keynote international speakers included Bruce Krumrine from Princess Cruises and Craig Milan from Royal Caribbean Cruises. The conference continues to grow as the

key annual event in the region and provides the perfect forum for industry to gain valuable insights into the cruise industry, to debate and share information.

The Economic Impact Study continued to be a major project in 2010-11 with the support of Tourism Australia. The 2009/10 season results were released in August 2010 showing another year of industry growth. The findings of the 2010-11 year will be presented at the Annual Cruise Down Under Conference.

Cruise Down Under continues to review the Economic Impact Study data to ensure that we are capturing the most reliable and relevant information. This year we worked with Department of Resources, Energy and Tourism, Tourism NSW and Sydney Ports to undertake



additional surveying of cruise ship passengers into Sydney. This study gained worthwhile information on pre and post cruise passenger activity and spending habits. The findings will be incorporated into the 2010-11 study.

The 2009-10 study included both international and domestic economic impacts of the cruise industry for the first time. The findings revealed that the total expenditure generated by the cruise shipping industry in Australia was approximately \$1.28 billion (an increase of 16.4%), with the international component totalling \$815 million (an increase of 11.7%). A more extensive summary of the findings can be found later in this annual report and is also available on the CDU website.

Marketing

A strong team comprising CDU's General Manager, along with several members, attended the 2011 Cruise Shipping Miami tradeshow. Once again we exhibited with Cruise New Zealand and New Caledonia Tourism to present a regional focus. The event presented a quality opportunity to meet face to face with our business partners and demonstrated our ongoing commitment to further development of the cruise industry in this region.

Chairman Chris White participated in the conference program as a speaker in the session titled "Where in the World?". During the introduction Seatrade Chairman Chris Hayman recognised CDU as the cruise industry's longest established cruise association, and the model followed by other associations around the world.

Cruise Down Under and its members hosted a number of familiarisation programs throughout the year showcasing regions including Victoria, Tasmania, New South Wales and Queensland.

The Cruise Down Under website underwent a major upgrade to incorporate a new content management system that allows members to update their own information. The website is a key marketing tool for the organisation.

Growing Membership

The Management Committee continued its commitment to engage with members and industry around Australia. The committee met in Melbourne, Brisbane, Sydney and Perth in the past year.

The Perth meeting included an industry forum to update the industry on the cruise industry and to promote the CDU to prospective new members.

Stakeholder and Partnership Development

Cruise Down Under was invited to present at ATEC 2011 conference on Hamilton Island. I teamed up with Gavin Smith from Royal Caribbean Cruises Australia and Tyler Wood from Bob Wood Cruise Group to present a workshop titled "Cruise 101". The workshop was the second most attended on the ATEC program and the feedback from participants was most encouraging.

We have continued to meet with industry partners throughout the year to encourage the co-operation at all levels of industry.

In closing I would like to make special thanks to the members of Cruise Down Under who have continued their energetic support of the organisation and been critical to the ongoing success of the cruise industry in our region. I have also been fortunate to work with an enthusiastic and hard-working Management Committee and thank them and their supporting organisations for the continued commitment to CDU.

Jill Abel
General Manager



cruise shipping overview

Global Cruising

The 2011 Cruise Shipping Miami Convention delivered a positive outlook for the cruise industry. Dampened by the Global Financial Crises and not shielded from the downturn, cruising has certainly weathered a difficult year and has been identified as one of the more resilient sectors of the tourism industry.

Cruise lines reported that they managed to operate ships at capacity (to the effect that in 2010 the utilisation capacity was at 103%) and were now starting to report a positive return on yield.

A summary of the global industry perspective:

1. 15 million passengers travelled in 2010 (CLIA stats), 11.1 million were North Americans.
2. CLIA member lines operated at 103% occupancy for the year 2010.
3. The forecast for 2011 is an increase of 6.6% up to 16 million.
4. There were 13 new ships introduced in 2010 adding 29,898 lower berths to the capacity of the market.
5. It is predicted that there will be approximately six-seven new ship builds each year for the next few years.
6. The decrease in new builds is a response to the global financial downturn, along with an adjustment to the increase in size of vessels built in recent years. There is a need to look at how the additional capacity is being filled over the coming years before an increase in new builds will be seen.
7. The situation in Japan has caused problems for cruise lines operating out of China with their largely Chinese passengers. The Japanese earthquake and subsequent events impacted on the cruise industry necessitating immediate action with changing deployments and itineraries at short notice.



8. The political unrest in the Middle East and Northern Africa are causing problems for itinerary planning. These instabilities have potential to cause greater challenges in future planning (impacting the European market sales figures for itineraries including Egypt and Tunisia).
9. The industry appears to have weathered the economic downturn relatively well.
10. Europe continues to show signs of good growth as does Australasia.
11. Brazil is showing signs of being the next emerging market.
12. The price of fuel is still a concern (which will affect air travel as well) and there are new pollution rules relating to cruise ships.

National and Regional Cruising

Cruise executives discussed the positive deployment of new ships to the Australia and South Pacific region for 2011-12 and 2012-13 and planning was underway for the 2013-14 season.

Projected growth in this region is expected to surpass the global forecast growth of 7%. The placement of modern ships and range of cruise product is likely to provide a full suite of options for both international and domestic travellers.

Cruise lines continue to seek new product and with the increase in home-porting vessels and turnarounds both on the east and west coasts of Australia, pre and post touring opportunities continue to grow.



The International Cruise Council Australasia (ICCA) reported that cruise passenger numbers increased by a massive 27 percent in 2010 with a total of 466,692 Australians cruising compared to 366,721 in 2009.

The South Pacific remains the main destination for Australian cruise passengers attracting 37 per cent of the market, with Australia (19 per cent) and New Zealand (10 per cent) also proving popular cruise destinations.

In terms of market growth, Australian numbers rose 36 percent from 2009. The 2010 figures equated to 2.1 per cent of the Australian population taking a cruise, compared with 1.7 per cent in 2009. (By comparison market penetration in North America was 3.1 per cent and 2.6 per cent in the UK).

ICCA reported a slight increase in shorter cruises with a decline in cruises over 15 days. Estimated annual sea days rose by 18 per cent to approximately 4.7 million in 2010.

In June 2011 the Australian Government announced an independent review

into greater access for cruise ships to Garden Island naval dockyard in Sydney Harbour. This review is aimed at addressing the issues associated with increasing berthing pressures in Sydney.

New South Wales

Sydney

Sydney is Australia's largest city and the nation's premier cruise ship destination.

It has always been a desirable destination on the world cruise map, but as the international and local cruise industry continues to boom, so too does the city's popularity.

The ability of Sydney to regularly host two ships at a time underlines the port's status as the preferred cruise destination in Australia.

On 6 December 2010, Sydney was named Best Cruise Port as voted by *Cruise Passenger Magazine's* reader's choice awards, followed by Venice and Vancouver. Sydney has now won this award six consecutive times.



The magazine commented that there is probably nothing as wonderful as sailing through Sydney Heads and towards the Harbour Bridge and the magnificent Sydney Opera House.

The 2010-11 Sydney cruise season was the busiest on record, with 150 cruise ships and 300,000 passengers visiting the port.

Highlights of the season:

- Four cruise ships made their maiden visits to Sydney;
- February 2011 saw 27 ship visits in 28 days;
- On two occasions, three ships were berthed or moored in Sydney Harbour;
- For the first time, the number of cruise passengers visiting Sydney reached 300,000; and,
- The economic value of these cruise visits was estimated at \$190 million.

Sydney's international cruise season officially began on 16 October 2010, with the arrival of the *Rhapsody of the Seas* and concluded when the same ship departed Sydney in mid-April, headed for the northern hemisphere summer cruise season.

The visits to Sydney this cruise season represented a 26 per cent increase on the 2009/10 cruise season.

Cruise ships visiting Sydney for the first time included *Pacific Pearl*, *Queen Elizabeth*, *Seabourn Sojourn* and *Silver Spirit*.

However, the most spectacular of all such visits was on 22 February 2011, with the maiden voyage of *Queen Elizabeth* into Sydney Harbour. She joined her Cunard sister ship *Queen Mary 2* in an early morning 'royal rendezvous' on the harbour.

A milestone for the Sydney cruise industry came in December 2010, when the Overseas Passenger Terminal (OPT) at Circular Quay West marked 50 years of operation.

The OPT, then known as the Sydney Cove Passenger Terminal, was officially opened on 20 December 1960 and 10 days later the 45,000 tonne superliner *Oriana*, on her maiden voyage to Sydney, was the first vessel to berth at the new terminal.

The terminal has since undergone two major refurbishments in 1988 and 2001 and remains Australia's leading international cruise passenger terminal.

In a further development for the Sydney cruise industry this year, the NSW Government announced planning approval for the construction of the new Cruise Passenger Terminal at White Bay, west of the Harbour Bridge.

The new terminal will cater for the booming domestic cruise market and will replace an existing berthing facility at Barangaroo, where extensive redevelopment is planned.

Scheduled bookings for the next two seasons indicate the strength of cruise shipping in Sydney will continue.

Newcastle

Newcastle is the gateway to a range of exciting experiences and attractions including Australia's famous wine growing region of the Hunter Valley, dolphin-watch cruises, 4WD tours of the Port Stephens sand dunes and the appeal of a vibrant coastal city.

The 2010-11 cruise season was the most significant and encouraging season for Newcastle's local cruise shipping industry. The port became the first non-capital city in Australia to home port a P&O Cruises Australia cruise ship, while Royal Caribbean International and Saga Cruises celebrated maiden visits to Newcastle.

Thirteen cruise ship visits and over 40,000 passenger days in port for the 2011-11 cruise season broke all existing records for Newcastle.

Newcastle Port Corporation and the New South Wales government completed the \$2.55 million investment in upgrading a new berth, the Channel Berth, for the cruise shipping industry. The Channel Berth was officially opened in September in time for the inaugural turnaround visit by P&O Cruises Australia's *Pacific Sun*. The cruise ship made a total of 10 turnarounds in Newcastle offering voyages to the South Pacific, Queensland and New Zealand.

Newcastle becoming a home port was seen as a welcome boost to the local tourism industry with many stakeholders benefiting from the commencement of turnarounds, notably Newcastle Airport which



received increased business from passengers who flew from interstate to board a cruise from Newcastle.

Cruise Hunter, the regional body managed by Newcastle Port Corporation and responsible for developing and growing the local cruise shipping industry in Newcastle, continued to deliver its high quality 'meet & greet' services for cruise ship visits. This included a volunteer program, cruise berth to city shuttle services and entertainment initiatives.

The regional Cruise Hunter Advisory Group welcomed new industry and government organisations to the group, leveraging from the new opportunities the home port market presented. The group continues to work collaboratively on strategies to best position Newcastle to meet cruise destination requirements and to capture Australia's growing cruise market.

Newcastle is preparing for a bright future with more maiden visits expected in the 2011-12 season, an

increased presence by Royal Caribbean International and the city hosting the 2011 CDU Conference.

Queensland

Queensland experienced a successful yet challenging year. Queensland is fortunate to be able to provide cruise liners with a variety of destinations to visit including Brisbane, Hamilton Island, Airlie Beach, Townsville, Cairns, Yorkeys Knob, Port Douglas, Cooktown and Thursday Island. With this choice, proximity to the Pacific Islands, warm climate allowing for year-round cruising, coupled with the addition of the overall global growth of the cruise sector, it is no surprise Queensland had a bonanza year with a record number of port visits for the 2010-11 cruise seasons equating to more than 200 ship visits.

At the start of the year, Queensland was hard hit by floods and Cyclone Yasi, but due to strong industry camaraderie, Queensland came away fairly unscathed with four ship visits affected in some way.

Highlights from the 2010-11 season included Queensland being a part of four maiden voyages; the *Pacific Pearl*, *Balmoral*, *Silver Spirit* and the *Albatros* cruise ships. The *Rhapsody of the Seas* also made four repeat calls to Queensland ports.

Brisbane

In 2010-11, Brisbane's popularity as a turnaround port grew prompting P&O Cruises to introduce a second ship, with *Pacific Sun* joining the *Pacific Dawn* in March 2011, offering a total of 16 cruises from Queensland's capital boosting capacity by 50% for the first half of 2011. This meant that between July 2010 and June 2011, Brisbane saw approximately 57 base-ports, 32 transits and four mini turnarounds, totalling over 97 ships touching Brisbane shores.

Cairns

Cairns also exceeded expectations, hosting 31 cruise liners, with a further 13 calls to Yorkeys Knob. These visits brought 93,000 passengers and crew to the region. Port Douglas and the Whitsundays remain popular ports of call with 25 and 34 ship visits respectively.

November 2011, also saw the completion and opening of the \$11.2 million refurbished Cairns Cruise Liner Terminal. The terminal has received very positive comments from passengers and tour operators with easy passenger flows to and from transport and ready access to the CBD and foreshore. The terminal also doubles as a function centre and is in huge demand. Ports North is presently working on the adjacent Foreshore,



which will include refurbishment of the old cruise terminal in Shed 2.

Cruise line bookings for 2011-12 are expected to be similar to the previous year. Brisbane base ported ships will increase by 14 visits to just over 70. Queensland will carry on preparing itself to cater to the growth of this market, with Ports North commencing a Cruise Demand Analysis to plan for future cruise shipping. Tourism Queensland will continue to work closely with Ports, Cruise Lines, Cruise Inbound Tour Operators and Regional Tourism Bodies to ensure our tourism industry understands and is knowledgeable on how, collectively Queensland can capitalize and grow its share of this booming sector of tourism.

Victoria

Melbourne

Station Pier enjoyed another busy season with a total of 36 ship visits, including 11 turnaround visits.

A highlight of the 2010-11 cruise season was the arrival of the *Queen Elizabeth* on her maiden round-the-world voyage and inaugural visit to the Port of Melbourne. Amid widespread public interest in this visit, PoMC coordinated a community information program for local residents and businesses, together with the broader Melbourne community.

In addition to traffic management, ground handling, customs, quarantine and on-pier logistical operations, the 2010-11 season saw PoMC trial a



Station Pier, Port Melbourne- Image courtesy of Port of Melbourne Corporation

community relations front-of-house program, assisting disembarking passengers to smoothly exit the pier precinct on select turnaround days.

In the winter months, PoMC continued upgrades to the heritage-listed Station Pier as part of a 30-year maintenance program to ensure this valuable heritage asset continues to function as a working port facility to add value to the experience of cruise lines and their passengers.

PoMC remains committed to the cruise industry through its involvement with the Melbourne Cruise Ship Committee which comprises key government, industry and transport stakeholders to coordinate resources, enabling Melbourne to deliver an international standard cruise shipping experience.

With 58 vessels scheduled to call at Station Pier in 2011-12, PoMC is undertaking the necessary planning and preparation for a record season.

Geelong

Geelong hosted two visits in the 2010-11 season, with the *Silver Shadow* and *Silver Spirit* calling at Cunningham Pier.

The Victorian tourism industry is a beneficiary of cruise ship visits, with a large number of passengers undertaking shore excursions to destinations within 90 minutes of Melbourne. The compact and diverse nature of the tourism experience in Victoria resulted in destinations such as the Yarra Valley, Phillip Island, Mornington Peninsula and Ballarat receiving cruise ship visitors. Key experiences enjoyed by passengers included wildlife at Healesville Sanctuary and Phillip Island, wineries in the Yarra Valley and Mornington Peninsula and Sovereign Hill in Ballarat. City sights tours of Melbourne which included an Aboriginal Heritage Walk in the Royal Botanic Gardens and time for shopping were also popular.



Both Tourism Victoria and Port of Melbourne Corporation continue to support the industry at a national level through their respective representation on the CDU Management Committee.

Western Australia

Fremantle

Following on from the successful 2009-10 season, the 2010-11 season again exceeded the expectations with 29 cruise calls to Fremantle.

The highlights of the 2010-11 season undoubtedly were the maiden call of the *Queen Elizabeth* on 1 March and the return call of *Queen Mary 2* on 17 February. The *QM2* at 151,000 tonnes is the largest cruise ship to visit Australian Ports and the popularity of the Cunard vessels was evident with thousands of spectators visiting Fremantle to capture a glimpse of the vessels.

It was also pleasing from a Western Australian perspective that Carnival Australia announced that Cunard's *Queen Mary 2* will make Australia her "home away from home" in 2012 with a world first 'Royal Circumnavigation' to depart from Sydney on 14 February 2012. The voyage will see *QM2* return to Sydney, Fremantle, Adelaide and the Whitsundays, as well as making maiden calls at Cairns, Melbourne, Darwin and Brisbane. Fremantle will be visited by the *QM2* twice in February 2012.

Other cruise visit highlights included the first time visit from the *Seabourn Sojourn*.

The ongoing sustainability of cruise lines using Fremantle as a turnaround port is becoming a reality with the *Sun Princess* and *Athena* home porting out of Fremantle in 2010-11 and both vessels will again use Fremantle as a turnaround in 2011-12, along with the *Pacific Sun* which will again be repositioned to Western Australia after their initial season in Fremantle in 2009-10.

Fremantle Port recognises the growth in cruise tourism globally has been sustained for the past decade (average growth is 10% pa) and this growth is now reflected annually in both Australia and Western Australia.

In 2010, 466,692 Australians elected to holiday at sea, 100,000 more than in 2009. Fremantle continues to be a popular destination for international cruise ships and cruise lines are now assigning newer and larger vessels to Australasia where they are achieving good yields.

The economic benefit of cruise calls to Fremantle in 2009-10 was \$95.2M compared to \$59.5M in 2008-09 and the total cruise industry employment is estimated at 419 full time equivalents in 2009-10.

Fremantle Ports' records show that 52,000 passengers passed through Fremantle Port this financial year along with 15,000 crew.

Broome

Broome is an exciting and exotic town with a rich and vibrant history. Located on the north coast of Western Australia, Broome is approximately 2250kms from Perth. With the enviable luxury of tropical warmth all year round, Broome's beautiful scenery, cosmopolitan ambience and proximity to the rugged Kimberley wilderness, have come together to make it an increasingly popular destination of choice for cruising itineraries.

In the 2010-11 cruising season, Broome welcomed seven cruise liners and 14 Kimberley expeditionary cruise vessels, with a further seven expeditionary vessels due before the end of June 2011. These visits have seen approximately 15,000 passengers pass through the port.

Highlights this year have included visits from the *Sun Princess*, *Dawn Princess*, *Rhapsody of the Seas* and *Amadea*. With most of these arrivals occurring between November - March, these visits have given passengers a chance to experience a true Kimberley wet season.

To facilitate the comfort and safety of all cruise ship passengers, the Broome Port Authority has designed and constructed two new gangways, specifically to account for the large tidal range in the port and to cater for all passengers. A concurrent project involved the design and construction of gangway platforms. These two projects have contributed to greater ease of access to and from ships, which we hope enhances the overall cruising experience of our visitors.



The Broome Cruise Shipping Committee has played a major part in welcoming all cruising passengers with volunteers acting as ambassadors for Broome and assisting with directions, maps and answering any passenger questions.

During 2011-12 we expect to welcome 21 luxury cruise liners and three expeditionary vessels. The Broome Port Authority is geared for this growth in the cruise shipping industry and we welcome all future arrivals to our beautiful and unique port.

Tasmania

Australia's island state - Tasmania, is perfect for all types of cruise vessels. Hobart is the second deepest natural port in the world and capable of hosting the new range of large cruise ships. Burnie, with its warm mayoral welcome, to every cruise vessel is an ideal port gateway to the western wilderness. Ports of Beauty Point, Devonport, Stanley and King Island are well placed to host smaller ships while expedition vessels would delight in the anchorages of Wine Glass Bay, Port Davey, Flinders Island and the sub-Antarctic island, Macquarie Island.

These ports and anchorages are perfect inclusions for itineraries that include the eastern and southern coasts of Australia, New Zealand and the Australian Antarctic.

Tourism Tasmania has identified the development of a Cruise Tourism Strategy for the next three years as a key project of the 2010-2011 Annual Operating Plan. The Strategy will provide the blue print for a



recommended action plan through until 2014.

Tourism Tasmania also hosted operator workshops in Hobart and Burnie with guest speakers Jill Abel, GM CDU, Richard Doyle, Doyle Tourism Services, Claire Willis, Abercrombie and Kent, and Roger Smith, Echidna Walkabout. Topics covered were national and global trends, Tasmania's market share, how to market for the cruise sector, working with shore-ex operators and a case study of a successful tour operator working in the cruise sector. Workshops were also held in conjunction with Hobart City Council and CityLink Burnie for the retail industry.

Tourism Tasmania co-hosted the International Association of Antarctic Tour Operators Conference in Hobart 9-12 May 2011. This was the first event in the Antarctic Centennial Year which will be celebrated in Hobart and includes a commemorative flotilla celebrating the 100th anniversary of departure of Mawson's expedition on December 2012.

There were 56 ship visits to Tasmania - Hobart 37; Burnie 11; Port Arthur four; Wineglass Bay two; Coles Bay two.

There were 25,575 visitors to Burnie (17,897 passengers and 7,678 crew); Hobart 50,720 (33,961 passengers and 16,759 crew).

The 2010-11 season was scheduled to run from September 2010 to April 2011, however unusually high winds prevented the first ship docking in Burnie.

Tasmania enjoyed a number of highlights during the season including four maiden voyage visits - *MV Amadea*, *Pacific Pearl*, *MS Deutschland*, and the *Silver Spirit*. There were two turnarounds - *Orion* and *Kapitan Khlebnikov*.

Tasports is committed to developing Hobart as a base supporting Antarctic and Southern Ocean research and expedition vessels and the cruise sector and have recently-appointed Karen Rees as Segment Marketing Manager for Antarctic, Cruise and Tourism.



South Australia

South Australia hosted a very successful cruise ship season from September to March, with 16 cruise ship arrivals and two expedition vessels offering itineraries along the South Australian coastline.

The *Queen Mary 2* visited Adelaide for the second year, and as always attracted large crowds of spectators as she sailed into port. With the support of the Adelaide City Council, Rundle Mall traders welcomed the passengers offering free wine and produce tasting and entertainment from many of the Adelaide Fringe performers. The *Queen Mary 2's* relationship with South Australia is set to grow even further in 2012 with the luxury liner including departures from Adelaide.

Orion Expedition Cruises offered an exciting new product, a seven-night 'South Australian Culinary Delights' itinerary visiting the Limestone Coast, Fleurieu Peninsula, Kangaroo Island and the stunning Eyre Peninsula coastlines. North Star Cruises also returned to South Australia offering several coastline cruises around the state.

The South Australian Tourism Commission is developing infrastructure and product in Port Lincoln and on Kangaroo Island. The recent announcement from Holland America Cruise Line, that the *Volendam*, and P&O's *Pacific Sun* will visit both regions for the first time in the 2012, has added to the excitement of the cruise industry for regional tourism in the state.

The 2010/11 season saw many new ships calling in Adelaide, Kangaroo Island and Port Lincoln for the first time, including *Seabourn Sojourn* and the *Silver Spirit*.

The *Athena*, a regular visitor to South Australia will again be home porting from Adelaide in 2011-12, offering exciting new itineraries with several new destinations being included for the first time.

The South Australian Tourism Commission contracted an event management company to manage the much loved 'Meet and Greet' Program at the Port Adelaide Passenger Terminal. They brought a new level of excitement to the welcome offered passengers, managing an excellent program incorporating everything from visitor information to traffic management and community support.

The ships' passengers offered glowing endorsements of South Australia, proving the success of the South Australian Tourism Commission's partnership with Flinders Ports, Event Managers Australia, Adelaide City Council, Tourism Eyre Peninsula, Tourism Kangaroo Island, the Port Adelaide-Enfield Council and the Department of Transport, Energy and Infrastructure.

Northern Territory

Darwin

During 2010-11 Darwin continued to be a popular stopover point for cruise ship passengers, attracted by the Northern Territory's all-year-round warm weather, its rich Indigenous, WWII and cyclone-

marred history, its cultural diversity, its proximity to Asia and its broad array of iconic, "only-in-the-Territory" events and attractions.

Twenty-five cruise ships received a warm welcome to Darwin during 2010-11, bringing with them almost 26,000 passengers and more than 12,000 crew members. The majority of cruise ships visit between October and April, the traditional 'off-peak season' for tourism in the Top End, providing a welcome economic boost for local tourism operators during what would be an otherwise quiet period.

The Northern Territory was host to a number of cruise ships on their maiden voyage to Darwin including the *7 Seas Voyager*, the *Deutschland*, and the *Navigator*.

Since 2005-06, Darwin has seen phenomenal growth of 17% per year on average in the number of cruise ship visitors to the Territory. This growth may be partly attributed to the completion of the new Fort Hill cruise ship terminal in December 2008 which greatly increased Darwin's capacity to host cruise ships and their passengers. Further waterfront facilities have since been developed to enhance visitors' experiences in Darwin and include a new walk-way to provide ease of access to Darwin's CBD.

Tourism NT has been actively working to grow the number of cruise ship visits to the region and to promote Darwin and the Northern Territory as an attractive and viable cruise shipping destination. Tourism NT works closely with the Darwin Port Corporation, the Darwin Harbour Marine Infrastructure



Working Group, Tourism Top End and Cruise Down Under to achieve these ends and in March 2011 attended the Cruise Shipping Miami Convention and tradeshow to promote the Northern Territory to cruise ship operators. Furthermore, Tourism NT has recently developed a number of pre and post cruise touring travel options through the Territory to encourage cruise ship passengers to experience the real Australian Outback, in addition to their visits to major Australian ports and cities.

Looking forward to the 2011-12 season, the Northern Territory is particularly keen to welcome for the first time, Cunard's majestic flagship liner, the *Queen Mary 2*.

Indonesia

During 2010-11 36 cruise ships representing 21 companies made 214 calls and carried 141,099 passengers to 55 ports.

Nine turnaround calls were made in Indonesia in Bali (port of Benoa) and Jakarta.

The Minister of Culture and Tourism (MoCT) of Indonesia is leading the cruise development in Indonesia. A national cruise seminar was held in Jakarta in May 2011 and two familiarisation tours in June and November 2011. The MoCT will also be participating at Seatrade and Cruise shipping exhibitions in Miami, Hamburg and Singapore.

The MoCT is working to identify and open new cruise destinations.

The port of Celukan Bawan situated on the Northern part of Bali offers another side of the island with a large choice of excursions, including the nearby Ulun Danu temple. The port can accommodate vessels up to 200 m LOA alongside and larger vessels at anchor.

The port of Probolinggo situated in Eastern Java also offers a large choice of excursions. A tour to Mount Bromo is part of an amazing chain of the Volcanoes of East Java. Vessels operate at anchor.

The Government of Indonesia together with the Province of Bali and the Regency of Karangasem has been developing a new cruise port in Bali. The port of Tanah Ampo will be the first port exclusively dedicated to cruise traffic primarily transit cruise operations.

The port has the following facilities:

- A jetty 154 m in length with a minimum depth of -8 metres LWS.
- Temporary tendering facilities.
- A cruise terminal of 2,300 m² in total of which 1,120 m² for the welcoming area.
- The port is surrounded by a typical Balinese landscape of 25 hectares of rice fields with the view on Mount Agung as a back up.

The extension of the berth and development of permanent tendering facilities are planned.

New Caledonia

At the heart of the Pacific, New Caledonia is located in the South Pacific 1,500 km east of Australia. Sitting just above the Tropic of Capricorn, the archipelago enjoys a temperate tropical climate.

Grande Terre, New Caledonia's main island, stretches 450 km long and 50 km wide. A mountain range extends from north to south, the highest summits of which exceed 1,600 m. The Loyalty Islands, Ouvéa, Lifou, Maré and Tiga in addition to the Isle of Pines complete this remarkable array of islands.

Encircled by the largest lagoon in the world - classified as World Heritage by UNESCO since 2008 - New Caledonia is nevertheless not just a "beach and sun" destination. The extreme originality of its flora and fauna is the result of its unique geological history, the duration of its isolation and its geography, which today make New Caledonia one of the prime biodiversity hotspots in the world. Its location, climate, the grandiose beauty of its sea and landscapes, diverse cultures, customary heritage and the warm welcome provided by its population make for a unique and authentic destination.

2010 saw the arrival of 203,879 cruise ship passengers in New Caledonia, constituting a 55.4% increase from 2009. The forecasted figure for 2011 comes in at 394,500 such visitors.



The frequency of cruise ship visits has more than tripled in 10 years. The destination's geographical location is ideal: the distances between Australia, Port-Vila in Vanuatu, Nouméa, the Isle of Pines and the Loyalty Islands are favourable to trips both at sea and on land.

The company P&O views New Caledonia as its primary destination due to its unrivalled proximity to Australia and New Zealand. In 2010, the company brought more than 180,000 passengers, which constituted a remarkable expansion. It is now forecasting growth of between 200 and 300 stopovers. Cruises provide a foretaste of the country and a number of tourists come back at a later date. The advantage of New Caledonia is its diversity and its UNESCO World Heritage lagoon, which lend a feeling of exclusivity to the destinations offered by the company.

Several years of New Caledonian presence at the Miami Cruise Conference put our destination on the shortlist of cruise ship company decision-makers, who have since programmed regular stopovers in New Caledonia. The Cruise Shipping Miami Conference provides an arena for maintaining key contacts.

Ocean liners from American, European and Japanese companies embark on world tours and trans-Pacific itineraries departing from North America and Asia each year.

Papua New Guinea

The cruise industry in Papua New Guinea is gaining a momentum with increased cruise vessels and passengers, more local investments in the tour business, and locals increasing supply of products and improving quality of services.

As awareness of Papua New Guinea as a tourism destination continues to grow we are seeing an increase in cruise ship visits.

- In 2006 about eight passenger cruise ships arrived on an average rate of one per month bringing more than 3,000 tourists.
- In 2008 about 5,957 tourists visited Papua New Guinea by cruise ship.
- In 2010 there were a total of 126 cruise ship calls, with 6,202 cruise ship passengers.

As a cruise destination, Papua New Guinea offers more adventurous activities than typical ports. Passengers can explore PNG's flora, fauna, and diverse culture and enjoy adventure activities such as trekking, kayaking, diving and snorkelling. Exotic bird watching trips and historical tours add another element to a port stop in PNG.

The following are popular options for cruise ship visitors to PNG:

- Detailed Milne Bay cruises along the inside islands exploring the native coastal style villages and the people, snorkelling and sun-bathing on the islands' white-sandy beaches .
- Alotau and Rabaul tours focusing on the WW11 relics.

- Voyages along the mighty Sepik River.
- Niugini cruises spanning the volcanic Island of Rabaul.
- Deeply folklore explorations of PNG, including a trip to the Highlands region on shore excursions.

Orion Expedition, Clipper Cruises, Louis, Coral Princess, Holland America, Princess Cruises, Cunard Line, Lindblad Expedition, Delphin, Hapag Lloyd, Silver Seas and Peace Boat are some of the international cruise lines that dock in Papua New Guinea's ports. The number of cruise passengers is growing much more rapidly than the number of typical PNG tourists.

Several cruise ships are providing the opportunity for international visitors to Papua New Guinea to shift their mode of travel from plane to cruise ships in the country's ports. Most of the shifts are occurring in Rabaul, Alotau, Kimbe and Port Moresby ports.



management committee



Chris White **Chairman**

Tourism Victoria
Term Expires 2011

Chris currently manages the Product Marketing division at Tourism Victoria. Chris is responsible for marketing Victoria's key product strengths including food and wine, nature-based tourism and art and culture, along with cruise shipping. She is also responsible for managing national trade marketing including Victoria's relationship with domestic airlines, wholesalers and retail travel agents.

Chris' career in tourism began in London in 1991, where she worked for JAC Travel, a large tour operator, with a wide portfolio of business interests, including education and youth travel. When she returned to Australia in 1993, she worked for a small nature-based tour operator in Victoria.

Since joining Tourism Victoria, Chris has held a number of positions including Market Coordinator for the



UK/Europe, Product Development Manager and Manager Product Segments and Niche Markets and currently is the Group Manager Product Marketing.

Evda Marangos **Deputy Chairman**

Port of Melbourne Corporation

Term expires 2012

Evda is responsible for managing cruise shipping and Station Pier. Evda developed and implemented Victoria's first and subsequent cruise ship strategies, which formed the basis of an ongoing development program for the cruise industry in Victoria.

Evda continues to develop the cruise shipping function and the facility at Station Pier to accommodate the growing cruise industry.

Evda has been a member of the CDU Management Committee since 2002 and has been responsible for a number of portfolios including preparing CDU's annual operating plan and annual report. Evda was elected CDU Chairman in May 2010.

Glenn Stephens **Treasurer**

Fremantle Ports

Term expires 2011

Glenn is presently the Senior Manager Trade and Business for Fremantle Ports and is responsible for business and trade development (including cruise lines).

Treasurer of Cruise Down Under since its incorporation in 1998, he has tertiary qualifications in business and accounting and is a certified practising accountant, a member of CPA Australia, Fellow of the Institute of Public Accountants, a Member of the Australian Institute of Management and Member of the Australian Institute of Company Directors (AICD).

Glenn has held senior financial and management roles at Fremantle Ports since 1986.

David Brown **Member**

Cruise Hunter

Term Expires 2012

David has held the position of Cruise Hunter Coordinator since 2006 and has served on the Management Committee of Cruise Down Under since 2008. Managed within Newcastle Port Corporation, Cruise Hunter was established to develop and grow the local cruise shipping industry in Newcastle.

David is responsible for developing and implementing a local cruise strategy that positions Newcastle to capture the growing cruise industry in Australia. David works closely with the regional tourism industry and government bodies to achieve cruise industry goals. By coordinating and managing a stakeholder approach to cruise ship visits ensures that each port call is a highly successful one and that the destination needs of the cruise industry are delivered.

In 2006 David was selected as a Young Tourism Ambassador for Tourism Australia during the Melbourne Commonwealth Games. In 2009 David was awarded the Young Achiever Award at the Australian Transport and Logistics Industry Excellence Awards and represented Australia at the 2010 International Convention in Malta.

Prior positions held by David include in tourism and events departments for local government.

Leah Clarke **Member**

South Australian Tourism Commission

Term Expires 2011

Leah Clarke is a Business Manager for the Destination Development team of the South Australian Tourism Commission where she manages relationships with key access partners and identifies emerging opportunities in the areas of cruising, road and air access. Leah has a particular interest in increasing the number of cruise ship arrivals for South Australia and reducing impediments to access South Australian ports. In the past six months she has been instrumental in the development of the Southern Ocean Cruising strategy that focuses on attracting new ships to offer itineraries in and out of Adelaide, including regional port visits, and growing regional opportunities.

Leah has worked for the South Australian Tourism Commission for the past nine years with experience in business advice, product development, accreditation, business and operator



training and more recently has worked for the Minister for Tourism providing tourism advice.

Prior to this she worked at the coalface in tourism ventures and for marketing consultants.

Claire Willis

Member

Abercrombie & Kent

Term Expires 2011

Claire has worked within the cruise industry for more than 19 years, spending many years at sea as a Purser, first for Premier Cruise Lines and then for Princess Cruises. Ten years ago she made the transition back to land and joined A&K Europe as Cruise Manager where she operated shore excursions around the UK and overland tours for cruise passengers throughout Europe.

Most recently, Claire joined A&K Australia as Cruise Manager, where she heads up a team of expert cruise professionals providing land services to cruise passengers all around Australia. Over the past four and a half years she has worked closely with local operators and tourism bodies to develop new product, improve existing product, and explore new opportunities for delivering top quality experiences to cruise ship passengers visiting Australia.

With her many years in the industry, Claire has a deep understanding of the cruise industry, and has a wide network of contacts at all of the cruise lines. She has developed relationships around the country with local suppliers and has a wealth of knowledge about the cruise industry.

Richard Doyle

Member

Doyle Tourism Services P/L

Term Expires 2012

Richard is Founder and Director of Doyle Tourism Services P/L. He has worked on and managed significant projects for a range of private and public clients. He has a background in government procedures and policy, stakeholder engagement and strategic planning and business development. He has experience in managing projects and business development throughout SE and NE Asia. Richard is a well-respected leader in the cruise and tourism industry. Doyle Tourism Services has strong strategic account management skills working with key stakeholders including airlines, cruise companies, rail and travel distribution providers/wholesalers, locally and globally. Richard started his tourism life with Australian Pacific Tours, where he held a number of roles and was part of the team that was the first land operator for Princess Cruises when they originally came to Australia with the 'Love Boat'. His company represents Sinotech in Australia - a digital strategic and development firm in social media.

For over 12 years Richard was working with Tourism NT, based in its Sydney office, where Richard's role is Director Asia/Japan, Aviation & Cruise with primary responsibilities were for the international markets of Japan, Singapore, China, Hong Kong, Malaysia and Korea and had strategic and partnership responsibilities for Aviation

and Cruise Development, and was part of the Executive Team.

Richard pioneered the first charter flights direct from Japan to Australia's outback centre of Alice Springs and Uluru as well as the first charter flight Darwin to link up with the Ghan train to Central Australia.

He has held a number of industry positions including being the State and Territory representative on Australian Tourism Export Council's (ATEC) Japan Policy Panel and was the Chairman of Cruise Down Under, Australia's peak cruise industry association - for eight years and is still currently a board member, and Tourism Australia Working Groups including Destination Australia Marketing Alliance (DAMA), and National Tourism Aviation Advisory Committee (NTAAC). Richard is a Graduate Member of the Australian Institute of Company Directors (GAICD).

Jill Abel

General Manager

February 2007 to June 2011

Honorary Members

Tourism Australia

Leigh Sorensen
Nominated December 2010

Ports Australia - Ex-Officio

David Anderson
Nominated February 2007





management committee meetings

The Management Committee held the following meetings:

#88	22 July 2010	Melbourne
#89 AGM	27 August 2010	Brisbane
#90	27 August 2010	Brisbane
#91	18 November 2010	Sydney
#92	28 February 2011	Sydney
#93	2-3 May 2011	Perth

Attendance at Management Committee Meetings

Record of attendance at scheduled Management Committee meetings:

Member	Meetings Attended	Meetings Eligible to Attend
Chris White	6	6
Evda Marangos	6	6
Glenn Stephens	5	6
David Brown	6	6
Claire Willis	5	6
Leah Clarke	6	6
Richard Doyle	6	6
Tourism Australia	1	6
Jill Abel	6	6



Sub-Committees and Portfolios

Listed below is the allocation of responsibilities for the sub-committees and portfolios for the 2010-11 year.

Committees

Management Committee - Rule 16
Focus 1, 2, 3, 4 and 5

Responsible for:

Managing administration including:

- Rules of Association
- Financial Delegation
- GM's Contract
- Succession Planning
- Legal and Property Matters

Executive - (Chairman, Dep. Chairman, Treasurer)

Rule 18.1 - Management Committee may delegate powers in the absence of the full Management Committee

Focus 2 - 2011 Conference Organising Committee (David Brown - Chairman, Jill Abel, Claire Willis) - Rule 18.2

Portfolios

Rule 13.9 - The portfolios of other Management Committee members shall be allocated by consensus of the Management Committee

General Manager - Jill Abel
Focus 1, 2 and 3

- Secretary of the Association
- Cruise Shipping Miami Convention
- US Sales Mission
- Annual Govt/Minister's Meeting
- Economic Impact Study
- Annual General Meeting
- Management Committee Meetings
- Website Update
- Travel Programs/Familisations
- Education
- General Administration

Focus 1 - Chairman (Chris White)

- Leadership
- Governance
- Political Liaison
- Media/Spokesperson
- Cruise Line Liaison

Focus 1 - Deputy Chairman (Evda Marangos)

- Three-year Strategic Plan
- Position Description

Focus 1 - Treasurer (Glenn Stephens)

- Financial Management and Reporting
- Budget
- Insurance

Focus 1 - Members (Evda Marangos/ Richard Doyle)

- Annual Operating Plan

Focus 1 - Members (Evda Marangos/ Leah Clarke)

- Annual Report

Focus 1 - Members (Leah Clarke)

- Communications Report

Focus 4 - Member (Claire Willis)

- Membership Strategy

2010-2011 Annual Operating Plan

<p>Vision</p> <p>Develop and grow the Australia, Asia and South Pacific region (CDU Region) as a major world-class base and destination for cruise ships.</p> <p>Mission</p> <p>Cruise Down Under (CDU) is the peak cruise industry association growing and developing the Australia/Pacific region, as one of the world's leading cruise destinations providing opportunities for ongoing economic, social and environmental sustainability.</p> <p>Objective</p> <p>To influence cruise and charter operators to develop itineraries to increase cruise ship visits in the CDU region.</p>	<p>Focus 1</p> <p>Leadership and Governance</p>	<p>Focus 2</p> <p>Research and Insights</p>
	<p>Objectives</p> <p>Establish strategies to continue the recognition of CDU as the respected peak organisation connecting the cruise industry</p>	<p>Provide CDU members with useful, accurate and meaningful research and customer information</p>
	<p>Key Outcomes 2010/11</p> <ul style="list-style-type: none"> ○ A succession strategy ○ A robust governance regime ○ Increased awareness on: <ul style="list-style-type: none"> - role and structure of CDU - the cruise industry 	<ul style="list-style-type: none"> ○ An Economic Impact Study ○ Effective communication between members and stakeholders
	<p>Priority Projects 2010/11</p> <ul style="list-style-type: none"> ○ Review Articles of Association ○ Develop funding strategies for future programs ○ Prepare annual operating plan, annual report, financial report, budget ○ Review governance reports eg business continuity plan 	<ul style="list-style-type: none"> ○ Secure government funding to conduct research into the economic impact of cruising - Tourism Research Aust. ○ Annual cruise conference (including industry sessions)
	<p>Other Important Projects</p> <ul style="list-style-type: none"> ○ Project CDU as the peak marketing body and primary connector of business-to-business ○ Continue relationships with Federal, State Governments, trade media, industry ○ Manage CDU's IP and maintain business to business integrity 	<ul style="list-style-type: none"> ○ Conduct State Passenger surveys (use EIS questions for consistent data) ○ Maintain a comprehensive customer database ○ Review EIS methodology
	<p>Key Performance Indicators (KPIs)</p> <ul style="list-style-type: none"> ○ Table reports at AGM ○ Brief Federal Government (DRET and DIMIA), Tourism Australia and Ports Australia (Educational component) ○ Liaise/collaborate with STOs, ATEC, TTF and Ports Australia ○ Manage the evolution/ maturing of the association 	<ul style="list-style-type: none"> ○ Communicate the Economic Impact Study findings to members and stakeholders including Federal and State Governments ○ Host 2011 cruise conference ○ Review communications strategy
<p>Completed Projects</p>	<ul style="list-style-type: none"> ○ Three year Strategic Plan ○ Annual Report ○ Annual Operating Plan ○ Financial Report and Budget ○ Participation on National Sea Passenger Facilitation Committee meeting ○ Legal briefing re Rules of Association 	<ul style="list-style-type: none"> ○ Economic Impact Study 2010 ○ Industry sessions ○ Passenger surveys - Sydney, Tasmania ○ Cruise Conference Miami report ○ Cruise Down Under brochure

Focus 3 Position and Market the CDU region as a world-class destination	Focus 4 Growing Membership	Focus 5 Stakeholder and Partnership Development
Market and promote the CDU region as an attractive and diverse cruise destination for world-class cruising	Grow membership and provide high value benefits and services to CDU members	Develop greater collaboration and affiliation with stakeholders and partners
<ul style="list-style-type: none"> ○ An effective marketing program ○ Effective communications and feedback to members, cruise lines and industry stakeholders 	<ul style="list-style-type: none"> ○ Increase member numbers ○ Increase awareness of membership benefits ○ Retain current members 	<ul style="list-style-type: none"> ○ Increase stakeholder cooperation ○ Understanding/awareness of stakeholders' objectives and operations
<ul style="list-style-type: none"> ○ Participate at Miami Cruise Conference (Educational component) ○ Review communications strategy ○ Marketing plan for 2010/11 ○ Leverage on key stakeholders cruise sector comments ○ Work to include a cruise ship component within relevant associations' agenda 	<ul style="list-style-type: none"> ○ Develop membership retention strategy ○ Identify potential new members ○ Review membership structure and fees ○ Review/update membership collateral/brochure 	<ul style="list-style-type: none"> ○ Develop a stakeholder database ○ Host stakeholder networking events ○ Understand cruise line structures and/or contacts - eg business interface/ connections
<ul style="list-style-type: none"> ○ Produce renewed promotional collateral ○ Arrange famils to Australia ○ Expand media list of contacts ○ Assist members with cruise line appointments ○ Review website 	<ul style="list-style-type: none"> ○ Review communications strategy for members ○ Rotate management meetings in different locations (Educational component) ○ Host industry sessions ○ Brief executives including member organisations 	<ul style="list-style-type: none"> ○ Engage with stakeholders' decision makers, tourism ministers, shadow ministers, Hon. Members ○ Consolidate TA/DRET relationship
<ul style="list-style-type: none"> ○ Attend Cruise Conference Miami -Growth in members participating ○ Meet US cruise executives ○ Circulate US report ○ Develop famils for cruise executives 	<ul style="list-style-type: none"> ○ Increase membership numbers ○ Member satisfaction ratings ○ Circulate: <ul style="list-style-type: none"> - Member Updates - List of visiting Cruise Ships 	<ul style="list-style-type: none"> ○ Circulate/present stakeholder survey results ○ Increase cruise sector profile ○ Promote CDU as providing the business interface for the cruise industry ○ Circulate CDU News
<ul style="list-style-type: none"> ○ Miami Cruise Conference including Panel participation ○ Media releases: <ul style="list-style-type: none"> - CDU Economic Study - Access Economics Report - Tourism Australia /STO's media comments - CDU Conference Speakers ○ Increased CDU Conference delegate registrations 	<ul style="list-style-type: none"> ○ List six new members ○ Management Committee meetings in Sydney, Melbourne and Perth ○ Grow membership 	<ul style="list-style-type: none"> ○ CDU News - 2 No. ○ Members' Updates - 3 No. ○ Confirmed TA commitment ○ Conducted industry events: Sydney and Perth



project reports

Cruise Down Under Conference

The 2010 Cruise Down Under Conference was held in Brisbane in August and sponsored by Tourism Queensland, Portside Wharf and Brisbane Marketing. The conference theme “Rise to the Challenge” attracted 118 delegates from Australia, New Caledonia, New Zealand, Papua New Guinea and Indonesia.

Keynote presentations:

- Bruce Krumrine, Princess Cruises
- Craig Milan, Royal Caribbean Cruises
- Lisa Bolton, Aurora Expeditions.

Other speakers included:

- Grant Hunter, Classic International Cruises
- Gavin Smith, Royal Caribbean Cruises
- Matt Cameron-Smith, Tourism Australia
- Matt Hingerty, ATEC
- Simon Smith, AEC Group.

Panel session entitled “Our Business to Business Relations”.

Cruise Shipping Miami Convention

Cruise Shipping Miami is a key promotional event on CDU’s marketing program. In 2011 it was attended by the following members:

- Chris White (CDU Chairman) - Tourism Victoria
- Evda Marangos - Port of Melbourne Corporation
- Glenn Stephens - Fremantle Ports
- Leah Clarke - South Australia Tourism Commission
- Julie Averay-Cuesta - Tourism NT
- Claire Willis - Abercrombie & Kent
- Richard Doyle - Doyle Tourism Services P/L
- Anne McVilly - Tasmanian Visitor Information Centre
- Jill Abel - General Manager, CDU.

The following Cruise Down Under members also had adjacent trade stands contributing to a broader regional theme:

- Tourism Queensland/Brisbane Cruise Wharf

- New Caledonia Tourism South.

Formal discussions were held with the following cruise lines:

- Princess Cruises
- Royal Celebrity Tours
- RCI/Celebrity
- Princess Tours
- Holland America Line
- Silversea Cruises
- The World
- MSC Cruises
- Fred Olsen Line
- Saga Cruise Line
- Regent Seven Seas Cruises
- Seabourn Cruise Line.

Chairman Chris White participated on a panel entitled “Where in the World?” further strengthening and highlighting CDU, Australia and the South Pacific region on the international stage.

During the introduction CDU was acknowledged as being the cruise industry’s longest established cruise association and the model many international associations have followed.



Economic Impact Study

The 2009-10 study undertaken by AEC Group continued to be funded by CDU and Tourism Australia. The study was extended to report on both the international effects of cruise as well as the domestic activity. The inclusion of the domestic spend was adjusted to the 2008-09 figures. The study reports a total expenditure of both international and domestic activity of \$1.28 billion in 2009-10, including direct expenditure of \$662.6 million. This was a 16.4% increase from 2008-09 when total expenditure was estimated at \$1.1 billion. If looking solely at the international market, the total expenditure was \$815 million, an increase of 11.7% on the previous year.

The following table highlights growth trends for the period 2008-09 to 2009-10:

Comparison of Australian Cruise Ship Industry Demand Indicators

	2008-09	2009-10	Change	% Change
Number of Australian ports visited by cruise ships	28	30	2	7.1%
Cruise Ship Characteristics				
Number of visiting cruise ships	38	34	-4	-10.5%
Passenger capacity of the cruise ships	42,251	41,803	-448	-1.1%
Number of crew on the cruise ships	19,758	18,335	-1,423	-7.2%
Cruise Ship Visits				
Number of cruise ship visits to ports	521	583	62	11.9%
Passengers and Crew				
Total passenger days at port	891,967	1,072,239	180,272	20.2%
Total crew days at port	213,264	241,918	28,654	13.4%
Expenditure				
Passengers (\$M)(a)	\$221.8	\$262.6	\$40.8	18.4%
Crew (\$M) (a)	\$36.0	\$38.4	\$2.3	6.5%
Port-related by operators (\$M)	\$310.2	\$361.8	\$51.6	16.6%

Note: (a) Includes both domestic and international expenditure.
Source: CDU, Individual Ports, AECgroup

Table E.2: Summary of Direct Expenditure by the Cruise Shipping Industry in Australia, 2009-10 (includes both Domestic and International Passenger and Crew Expenditure)

Port	Visit Days	Passenger Days At Port	Crew Days At Port	Direct Expenditure (\$m) (a)			Total
				Passengers	Crew	Operator	
NSW:							
Eden	4	2,949	821	\$0.3	\$0.1	\$0.4	\$0.8
Newcastle	5	6,532	1,600	\$0.5	\$0.1	\$0.6	\$1.2
Sydney Harbour	116	375,211	75,637	\$133.6	\$17.9	\$144.4	\$295.9
Total	125	384,692	78,058	\$134.4	\$18.0	\$145.4	\$297.9
VIC:							
Melbourne	48	107,975	24,671	\$32.5	\$4.4	\$56.9	\$93.8
Phillip Island	1	2,545	540	\$0.2	\$0.0	\$0.1	\$0.3
Total	49	110,521	25,211	\$32.8	\$4.4	\$57.0	\$94.2
QLD:							
Brisbane	69	162,608	33,398	\$45.9	\$6.8	\$74.3	\$126.9
Cairns/Yorkeys Knob	36	39,805	10,153	\$3.7	\$0.7	\$2.6	\$7.0
Cooktown	3	3,450	829	\$0.3	\$0.1	\$0.1	\$0.5
Hamilton Island	8	7,805	2,419	\$0.7	\$0.2	\$0.6	\$1.5
Mackay/Whitsundays	27	39,296	9,305	\$3.5	\$0.6	\$2.4	\$6.5
Port Douglas	19	34,535	7,258	\$2.9	\$0.5	\$1.8	\$5.1
Thursday Island	8	2,357	884	\$0.3	\$0.1	\$0.4	\$0.7
Townsville	12	10,463	3,319	\$1.0	\$0.2	\$0.9	\$2.1
Total	182	300,317	67,565	\$58.2	\$9.0	\$83.2	\$150.4
SA:							
Adelaide	21	24,829	7,030	\$5.2	\$1.2	\$2.7	\$9.1
Kingscote	3	797	364	\$0.0	\$0.0	\$0.1	\$0.1
Port Lincoln	3	1,175	358	\$0.0	\$0.0	\$0.1	\$0.1
Total	27	26,800	7,752	\$5.2	\$1.3	\$2.9	\$9.4
WA:							
Albany	11	12,262	3,537	\$1.1	\$0.2	\$0.8	\$2.2
Broome	19	25,474	5,739	\$2.3	\$0.4	\$1.0	\$3.6
Bunbury	9	11,014	2,972	\$0.9	\$0.2	\$0.6	\$1.7
Esperance	4	2,438	660	\$0.2	\$0.0	\$0.1	\$0.4
Exmouth	6	6,208	1,793	\$0.5	\$0.1	\$0.4	\$1.0
Fremantle	39	52,586	13,043	\$9.4	\$2.3	\$36.9	\$48.5
Geraldton	18	28,714	6,618	\$2.4	\$0.4	\$2.8	\$5.7
Total	106	138,695	34,362	\$16.9	\$3.6	\$42.5	\$63.0
TAS:							
Burnie	18	23,939	6,073	\$2.7	\$0.4	\$1.0	\$4.2
Coles Bay	2	3,298	726	\$0.4	\$0.1	\$0.1	\$0.6
Hobart	29	36,598	9,811	\$4.1	\$0.7	\$2.1	\$6.9
Port Arthur	6	4,676	1,600	\$0.5	\$0.1	\$0.3	\$0.9
Total	55	68,511	18,210	\$7.7	\$1.3	\$3.5	\$12.5
NT:							
Darwin	33	33,854	9,018	\$6.6	\$0.6	\$27.1	\$34.3
Total	33	33,854	9,018	\$6.6	\$0.6	\$27.1	\$34.3
Offshore Territories:							
Christmas Island	1	1,640	352	\$0.1	\$0.0	\$0.1	\$0.2
Norfolk Island	5	7,209	1,390	\$0.6	\$0.1	\$0.1	\$0.7
Total	6	8,849	1,742	\$0.7	\$0.1	\$0.1	\$1.0
Total	583	1,072,239	241,918	\$262.6	\$38.4	\$361.8	\$662.7

Note: (a) Includes both domestic and international expenditure.

Source: CDU, Individual Ports, AECgroup



Table E.3: National Economic Impacts of Cruise Shipping in Australia

Impact	International only (a)			International & Domestic (b)		
	2008-09	2009-10	% Change	2008-09	2009-10	% Change
Output (\$m)						
Direct	\$375.3	\$420.4	12.0%	\$567.9	\$662.6	16.7%
Indirect	\$354.6	\$394.7	11.3%	\$532.8	\$619.0	16.2%
Total	\$729.9	\$815.1	11.7%	\$1,100.7	\$1,281.6	16.4%
Wages Income (\$M)						
Direct	\$107.1	\$119.9	11.9%	\$161.4	\$188.2	16.7%
Indirect	\$83.8	\$93.4	11.5%	\$124.6	\$144.9	16.2%
Total	\$190.9	\$213.3	11.7%	\$286.0	\$333.1	16.5%
Employment (FTEs)						
Direct	1,806	1,979	9.6%	2,787	3,230	15.9%
Indirect	1,455	1,619	11.2%	2,195	2,551	16.2%
Total	3,261	3,599	10.3%	4,981	5,781	16.1%
Value Added (\$M)						
Direct	\$177.8	\$200.1	12.5%	\$273.2	\$320.1	17.2%
Indirect	\$160.2	\$178.7	11.5%	\$238.3	\$276.9	16.2%
Total	\$338.0	\$378.8	12.1%	\$511.5	\$597.1	16.7%

Notes: (a) International passengers & crew and operator, (b) International & domestic passengers & crew and operator.
Source: AECgroup



future intent

As a key outcome from the strategic business planning session in November 2010, the following key areas were considered to be the appropriate framework for the Association's future direction:

- Leadership and Governance
- Research and Insights
- Position and Market the Cruise Down Under region as a world-class destination
- Growing Membership
- Stakeholder and Partnership Development.





about cruise down under

CDU History - The first 10 years which outline the formative years of the Association can be found at www.cruisedownunder.com

In the first 10 years, Cruise Down Under cemented its position as the peak marketing body for cruise tourism in this region. Through their association with CDU, members are now able to have access to a professional body which has made significant advances in providing quality information and cruise marketing collateral through its website and participation at the annual Cruise Shipping Miami Convention.

David Brown, Cruise Hunter joined the Management Committee in 2008 replacing Judy Wood from Bob Wood Travel Group. David provides input from a regional destination perspective.

In 2009 Claire Willis, Abercrombie & Kent and Leah Clarke, South Australia Tourism Commission replaced Brett Dudley and John Treacy on the Management Committee.

Chairman Richard Doyle participated on the State of the Industry panel at the 2010 Miami Cruise Convention demonstrating that CDU region had significantly matured as a key cruise destination worthy of a view on the international stage.

In April 2010 Richard Doyle resigned as Chairman of CDU following his resignation from Tourism NT. It was during Richard's chairmanship that the organisation achieved a strong position on the international stage as the key industry body for the Australia and South Pacific region, a sound financial position, an increase in membership and a rigorous governance regime for the management committee.

Evda Marangos was elected Chairman in May 2010. The succession plan was implemented with the election of Chris White as Chairman at the AGM in August 2010. Richard Doyle, Doyle Tourism Services P/L joined the committee providing a second private sector representative.



record of cruise conferences and past annual general meetings

Year	Destination	No. of Attendees	Date
2010	Brisbane	118	25-27 August
2009	Adelaide	95	26-28 August
2008	Melbourne	110	27-29 August
2007	Darwin	85	29-31 August
2006	Cairns	115	23-25 August
2005	Fremantle	49	31 August-2 September
2004	Noumea	59 (inc CNZ)	21-22 August
2003	Launceston	42	27-28 August
2002	Adelaide	40	24-25 September
2001	Melbourne	39	28-29 August
2000	Darwin	20	18 August
1999	Sydney	27	18 August
1998	Brisbane	23	30 September
1997	Cairns	28	2-4 November



immediate and past management committee

Immediate Past Management Committee

Year	Chairman	Deputy Chairman	Treasurer	Member	Member	Member	Member	Tourism Aust.	General Manager
10/11	Chris White Tourism Victoria	Evda Marangos Port of Melbourne Corporation	Glenn Stephens Fremantle Ports	David Brown Cruise Hunter	Leah Clarke South Australia Tourism Commission	Claire Willis Abercrombie & Kent	Richard Doyle Tourism Services P/L	Leigh Sorenson	Jill Abel

Past Management Committees

Year	Chairman	Deputy Chairman	Treasurer	Member	Member	Member	Member	Tourism Aust.	General Manager
09/10	Evda Marangos Port of Melbourne Corporation	Chris White Tourism Victoria	Glenn Stephens Fremantle Ports	David Brown Cruise Hunter	Mark Crummy Tourism NT	Claire Willis Abercrombie & Kent	Leah Clarke South Australia Tourism Commission	Matthew Cameron-Smith	Jill Abel

Note: The following positions were held until the resignation of the Chairman on 30 April 2010 when the Management Committee elected a new Chairman and Deputy Chairman.

- *Richard Doyle, Tourism NT - Chairman until 30 April 2010*
- *Evda Marangos, Port of Melbourne Corporation - Deputy Chairman until 1 May 2010*
- *Chris White, Tourism Victoria - Member until 17 May 2010*

Year	Chairman	Deputy Chairman	Treasurer	Member	Member	Member	Member	Tourism Aust.	General Manager
08/09	Richard Doyle Tourism NT	Brett Dudley ecruising.travel	Glenn Stephens Fremantle Ports	Evda Marangos Port of Melbourne Corporation	David Brown Cruise Hunter	Chris White Tourism Victoria	John Treacy & Associates Pty Ltd	Dawn Howell	Jill Abel

Year	Chairman	Deputy Chairman	Deputy Vice Chairman	Treasurer	Member	Member	Member	Tourism Aust.	General Manager
07/08	Richard Doyle Tourism NT	Judy Wood Bob Wood Travel Group	Brett Dudley ecruising.travel	Glenn Stephens Fremantle Ports	Evda Marangos Port of Melbourne Corporation	Chris White Tourism Victoria	John Treacy & Associates Pty Ltd	Wendy Hills	Jill Abel



members' register

CDU registered 65 members as at 30 June 2011:

Name	Person	Level	Member Since
Ports Australia	David Anderson	Honorary	2005
AAT Kings	Peter Townsend	Bronze	2005
Abercrombie & Kent	Claire Willis	Silver	2002
Admirals Casinos	Michael Hackman	Bronze	2003
Albany Port Authority	Brad Williamson	Gold	1998
Australian Pacific Touring	Fleur Ulbrick	Bronze	2007
Australian Shipping Supplies	Richard Fader	Bronze	2006
The AOT Group P/L	Cinzia Burnes	Silver	2001
The Australian Opal and Diamond Collection	Joseph Dimasi	Bronze	2002
Australian Reef Pilots	Alan Maffina	Silver	1999
Australian Shoreside Management	Deborah Summers	Silver	2009
Bob Wood Cruise Group	Tyler Wood	Silver	1998
Brisbane Cruise Wharf	Lee Butterworth	Platinum	2004
Burnie City Council	Stephen Hite	Gold	1998
Carnival Australia	Paul Mifsud	Silver	2006
Christmas Island Tourism Association	Linda Cash	Bronze	2008
City of Fremantle	Donna Burgess	Silver	2008
City of Greater Geelong	Roger Grant	Bronze	2001
Cruise Eden	Gail Ward	Silver	2001
Cruise Hunter	David Brown	Gold	2001
Darwin Port Corporation	Robert Ritchie	Platinum	1995
Dept. Resource Energy & Tourism	Anthony Palmieri	Honorary	1993
Dept. of Transport- Victoria	Mark Curry	Gold	2000
DEEDI - Queensland	Mark Jones	Bronze	2003
Doyle Tourism Services	Richard Doyle	Bronze	2010
Fantasea Cruises	Steve Neale	Silver	1998
Fremantle Port	Glenn Stephens	Platinum	1995
Flinders Ports	Carl Kavina	Platinum	2009
Geraldton Port Authority	Brad Muir	Gold	2007



Glenelg Shire Council	Elizabeth Foreman	Bronze	2010
Great Southern Rail	Victoria Turnbull	Silver	2011
Indonesia, Ministry of Culture and Tourism	Rizha Handayani	Platinum	2009
Inter cruises Shoreside and Port Services	Martin Bidgood	Silver	2011
Kuranda Scenic Railway	Andrew Kennedy	Bronze	2008
Melbourne Star Cruises	Tim Ryan	Bronze	2008
Mike Bartlett	Mike Bartlett	Honorary	2007
Moonshadow Cruises & Port Stephens 4WD	Janene Rees	Bronze	2010
Northern Highland Tourism P/L	Jenny Aitchison	Bronze	2009
New Caledonia Tourism - South Noumea	Jean Michel Foutrein	Platinum	2001
Papua New Guinea Tourism	Vera Huntink	Platinum	2005
Port Arthur Historic Site	Andrew Ross	Gold	2007
Port of Broome	Capt. Vic Justice	Gold	1999
Port of Melbourne Corporation	Evda Marangos	Platinum	2005
Port of Portland	Cpt. Peter Gracias	Bronze	2007
Port of Townsville Ltd.	Barry Holden	Gold	2002
Ports North	Michael Barnett	Platinum	1993
Royal Botanic Gardens	Matt Jones	Bronze	2008
Royal Caribbean International	Gavin Smith	Silver	2008
South Australian Tourism Commission	Leah Clarke	Platinum	1998
Sunlover Reef Cruises	Patrick Bluett	Bronze	2006
Sydney Ports Corporation	Jason McGregor	Platinum	1993
Tasmanian Travel & Information Centre	Anne McVilly	Bronze	2009
Tasports - Hobart	Karen Rees	Platinum	1993
Tasports - Burnie/Devonport/Launceston	Karen Rees	Gold	1993
Thompson Clarke Shipping P/L	Richard Stevens	Bronze	2005
Tourism Australia	Leigh Sorensen	Honorary	1993
Tourism NT	Justin Vaughan	Platinum	1998
Tourism New South Wales	Alan McGuigan	Platinum	1995
Tourism Queensland	Sarah Murdoch	Platinum	1994
Tourism Tasmania	Karen Fraser	Platinum	1998
Tourism Tropical North Queensland	Marcus Brady	Gold	2008
Tourism Victoria	Chris White	Platinum	1998
Tourism Western Australia	Lance Hardy	Platinum	1998
Townsville Enterprise	Trevor Goldstone	Silver	1998
Wilhelmsen Ships Service	Greg Coopman	Silver	1998

Note: Members listed prior to 1998 were organisations operating as a cruise committee. This committee was affiliated with the Cruising Down Under brand as administered at the time by the Australian Tourist Commission.



The Management Committee endorsed the following new members during 2010-11:

- Doyle Tourism Services P/L
- Great Southern Rail
- Intercruises Shoreside and Port Services
- Moonshadow Cruises & Port Stephens 4WD.

The Management Committee accepted resignations from the following member/s during 2010-11:

- About South Australia
- Doctor Cruise
- ecruising.travel
- Eurobodalla Coast Tourism
- Port Lincoln.





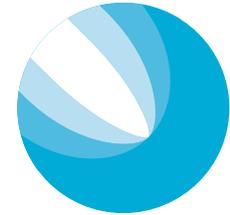
acknowledgements

Cruise Down Under acknowledges the following organisations for their in-kind support, including making available resources and facilities which enabled the Management Committee to conduct its regular meetings during 2010-11.

- Abercrombie & Kent
- Doyle Tourism Services P/L
- Fremantle Ports
- Port of Melbourne Corporation
- Newcastle Port Corporation
- South Australia Tourism Commission
- Tourism Australia
- Tourism Victoria







CRUISE
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annual financial report for the year ended 30 June 2011

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Statement of Financial Performance

Year ended 30 June 2011

	Notes	2011 (\$)	2010 (\$)
Income from ordinary activities		379,089	318,160
Other expenses from ordinary activities		317,636	259,932
Profit from ordinary activities		61,453	58,228
Income tax relating to ordinary activities		0	0
Profit from ordinary activities		61,453	58,228
Net surplus attributable to members of CDU		61,453	58,228

Statement of Financial Position

As at 30 June 2011

	Notes	2011 (\$)	2010 (\$)
Current Assets			
Cash assets		560,722	469,160
Receivables - debtors			
Prepayments		22,425	13,036
Total Current Assets		583,147	482,196
Non-Current Assets			
		0	0
Total Non-Current Assets		0	0
Total Assets		583,147	482,196
Current Liabilities			
Payables		1,411	326
Subscriptions in advance		111,864	79,430
Other amounts received in advance		30,000	24,018
Total current liabilities		143,275	103,774
Non-Current Liabilities			
		0	0
Total Non-Current Liabilities		0	0
Total Liabilities		143,275	103,774
Net Assets		439,875	378,422
Members Funds			
Retained surpluses		439,875	378,422
Total Members Funds		439,875	378,422

Statement of Cash Flows

Year ended 30 June 2011

Notes	2011 (\$)	2010 (\$)
Cash Flows from Operating Activities		
Receipts		
Membership	85,712	94,995
Membership in advance	111,864	79,430
EMDG	27,500	25,228
Tourism Australia	20,682	15,000
Seatrade Miami	18,612	16,915
Other (including interest)	153,135	111,251
GST receipts	35,123	27,928
ATO reimbursement	4,693	2,214
Total	457,321	372,961
Payments		
Administration	99,910	81,426
Marketing	227,118	186,167
GST payments	24,575	18,443
ATO payment	14,156	10,363
Total	365,759	296,398
Net Cash from Operating Activities	91,562	77,110
Cash from investing activities		
Proceeds	0	0
Payments	0	0
Net Flows from Investing Activities	0	0
Cash Flows from Financing Activities		
Proceeds	0	0
Payments	0	0
Net Flows from Financing Activities	0	0
Net Increase (Decrease) in Cash Held	91,562	77,110
Add opening cash b/fwd	469,160	392,050
Closing Cash Carried Forward	560,722	469,160

1. Summary of Significant Accounting Policies

(a) Basis of Accounting

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (TAS) 1964* and to report to the management and to providers of funding generally, as appropriate.

The management committee has determined that Cruise Down Under Inc. is not a reporting entity as defined in Statement of Accounting Concepts 1: Definition of the Reporting Entity, and therefore there is no requirement to apply accounting standards and other mandatory professional reporting requirements in preparation and presentation of these statements and non have been intentionally adopted

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuation of non current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investment readily convertible to cash within two working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(c) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(d) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future of goods and services received whether or not billed to the Association.

(e) Income Tax

The Association is exempt from Income taxation under section 50- 50 of the *Income Tax Assessment Act 1997*, formerly sub paragraph 23(e) of the *Income Tax Assessment Act 1936*, and therefore no provision has been made for income tax.

2. Revenue from Ordinary Activities

	2011 (\$)	2010 (\$)
(a) Revenue from Operating Activities		
Revenue from Members' Subscriptions		
- Current Year	87,223	94,995
- Previous Year		
- Next Year	111,864	79,430
TA Funded Projects	20,682	15,000
EMDG Proceeds from Austrade	27,500	25,228
Cruise Shipping Miami Convention	18,612	16,915
- Reimbursements		
Revenue from Services (include annual conferences)	151,624	113,298
Total Cash Revenue from Ordinary Activities	417,505	344,866
Cash Revenue from Operations	417,505	344,866
<i>Less</i>		
Subscriptions 2011/12 prepaid	111,864	79,430
Prepaid Conference Fees	30,000	24,018
GST Payments Net		326
<i>Plus</i>		
Subscriptions 2010/11 received in 2009/10	79,430	60,066
Conference Sponsorship 2010/11 received in 2009/10	20,000	17,000
Conference Delegate fees paid in advance	4,018	
INCOME FROM ORDINARY ACTIVITIES	379,089	318,160
(b) Reconciliation of Net Cash provided by operating activities to profit from ordinary activities		
Profit from ordinary activities after income tax	61,453	58,228
<i>Changes in Assets & Liabilities</i>		
Increase (decrease) in payments in advance	(9,389)	(7,826)
Increase (decrease) in Subscriptions in Advance	32,434	19,364
Increase (decrease) in other amounts received in advance	5,982	(7,018)
Increase in Payables	1,082	326
Net cash provided by operating activities	91,562	77,110
Cash at the beginning of the financial year	469,160	392,050
Cash at the end of the financial year	560,722	469,160

2. Revenue from Ordinary Activities (continued)

(c) Members' Subscriptions

For 2010/11 CDU has the following membership:

	No.	2011 (\$)	No.	2010 (\$)
Platinum	18	102,900	17	81,848
Gold	10	27,082	10	40,912
Silver	14	21,118	12	15,091
Bronze	19	14,645	23	16,399
Honorary	4		4	
Total	65	165,745	66	154,250

Membership received in advance for 2010/11 was \$80,244

(d) EMDG

A major source of income for 2010/11 was again the Export Marketing Development Grant available through Austrade. The CDU application was successful in obtaining \$27,500 with a commission of \$3,250 paid to consultants Stephen Hamilton and Associates.

(e) Revenue from Other Services

	2011 (\$)	2010 (\$)
Conference Receipts (Brisbane)	98,297	70,742
Conference Receipts (Newcastle)	30,000	24,127
Newsletter Sponsorship, Other Revenue	2,000	1,000
Interest	19,342	12,791
Venue Hire and other income	3,497	
Total	153,136	108,660

3. Expenses and Losses (Gains)

	2011 (\$)	2010 (\$)
(a) Expense		
Administration - Secretariat	116,082	81,593
Marketing - Newsletters/Media	4,500	8,125
- Website	34,685	5,728
- EMDG	3,250	3,803
- Cruise Shipping Miami/Cruise Company Calls	47,649	66,789
- Research Project	25,089	13,078
- Guide/Logo	6,824	3,719
- Cruise New Zealand	2,000	2,875
- Cruise Industry	3,375	5,000
- 2009 & 2010 Conference Expenses	71,257	60,452
- Famils Cruise Industry	6,053	16,597
Sub Total	204,692	267,758
<i>Plus / Less Prepayments (2010)</i>	(3,139)	(7,826)
Total	317,635	259,932

(b) General Manager Costs

In 2010/11, CDU contracted the services of Abel Event Management to undertake the role of General Manager and received the following payments

Administration and Marketing	78,600	75,000
Disbursements	7,609	8,554
Attendance Cruise Shipping Miami	11,033	12,980
Total	97,242	96,534

(c) Disbursements

Expenses (other than labour and excluding GST) associated with operating the Secretariat for the 12 months (July 1 – June 30) are outlined below:

Communications (Phone, Fax, Email)	3,809	4,027
Office Expenses (Stationery, printing etc)	0	127
Miscellaneous (AGM Speakers expenses, reception expenses and part-time staff)	3,800	4,400
Total	7,609	8,554

3. Expenses and Losses (Gains) *(continued)*

	2011 (\$)	2010 (\$)
(d) Cruise Shipping Miami/Cruise Company Calls		
Cruise Shipping Miami is recognised as the most significant annual Cruise Convention held and CDU has participated since 1994.		
In addition to the Cruise Shipping Miami Convention, calls were made on cruise companies in USA, marketing Australia as a cruise destination.		
Exhibition Costs	30,054	30,239
General Manager's Attendance and Expenses	11,033	12,417
Committee attendance and expenses - as offset to committee reimbursements		13,258
Secretariat Expense	3,563	10,875
Brochure/Marketing	3,000	0
Total	47,650	66,789
<i>Less Reimbursements</i>	18,612	16,915
Net cost	29,038	49,874

(e) Newsletter/Members Updates/Media Liaison

The membership received internal and external newsletters (distributed to the cruise industry) in 2010/11. The costs associated with these amounted to:

Media Liaison	2,500	3,438
Newsletters	2,000	4,688

4. Reconciliation of Cash

Cash at Bank	127,542	107,973
Cash on Deposit	375,886	361,187
Total	503,428	469,160

5. Retained Surplus (Members Funds)

Profit (loss) from Ordinary Activities after Income Tax Expense	61,453	58,228
Retained Profits at the Beginning of the Financial Year	378,422	320,194
Retained Profits at the end of the Financial Year	439,875	378,422

6. Remuneration of Management Committee

No remuneration is made to any member of the Management Committee.

7. Auditors' Remuneration

Amounts received or due and receivable by the Auditors, Kevin Gumley Chartered Accountant for audit for Financial Statements	2,360	1,900
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8. Segment Information

The Association operates predominately in one industry – tourism/marketing of Cruise Destinations in Australia.

Management Committee Declaration

In the opinion of the Management Committee:

The accompanying financial statements of Cruise Down Under have been prepared in accordance with generally accepted accounting principles from proper accounts and records and represent fairly the financial transactions for the year ended 30 June 2011 and the financial position at 30 June 2011.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.

There are reasonable grounds to believe the association will be able to pay its debts as and when they become due and payable.



Chairman



Treasurer

Dated: 30 June 2011

Auditor's Declaration

KEVIN GUMLEY
Chartered Accountant

173 Macquarie Street Hobart Tasmania 7000
Telephone: (03) 6223 7850 Fax: (03) 6223 8827
Email: kmgumley@bigpond.net.au
ABN 62 093 900 121

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF
CRUISE DOWN UNDER INCORPORATED**

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Cruise Down Under Incorporated (the association), which comprises the balance sheet as at 30 June 2011, and the income statement, and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Statement by Members of The Management Committee.

The Management Committee's Responsibility for the Financial Report

The Management Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of The Associations Incorporations Act (Tas) 1964 and are appropriate to meet the needs of the members. The Management Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial report.



Chartered Accountant

The financial report has been prepared for distribution to members for the purpose of fulfilling the Management Committee's financial reporting under The Associations Incorporations Act (Tas) 1964. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

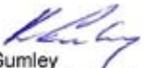
I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Cruise down Under Incorporated as of 30 June 2011 its financial performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.


Kevin Gumley
Chartered Accountant
173 Macquarie Street
Hobart TAS
Dated this 28th day of July 2011



**CRUISE
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Cruise Down Under (CDU) is the cooperative body marketing Australian and Pacific destinations to the international cruise industry.

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