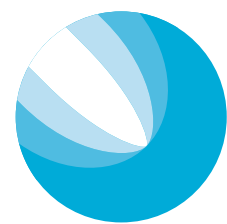




annual report 2011 | 2012



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Cover photos

Top: Three ships in Adelaide (Courtesy of South Australian Tourism Commission)

Bottom left: Two ships in Hobart (Courtesy of Tourism Tasmania)

Bottom right: A warm Queensland Welcome (Courtesy Tourism Queensland)



Letter to Members

Dear Member

It is with great pride that I present the Annual Report for Cruise Down Under for the period 1 July 2011 to 30 June 2012.

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

The year 2011–12 has represented another year of growth for the cruise industry in the Australia South Pacific region and also for CDU. According to our Economic Impact Study undertaken by AEC Group, Australia experienced a 23.5% increase in the number of cruise ships visiting and home-basing in Australia.

Following CDUs Annual General Meeting in August 2011, the Management Committee undertook a strategic review of the key objectives outlined in the Annual Operating Plan for 2011–12 and agreed to undertake a number of new activities commencing in September 2011. These are highlighted separately in the General Manager's report. However, I will take this opportunity to highlight several of these activities that were delivered during the year:

- The Management Committee agreed to increase our marketing activities aligned to the Strategic Plan key objectives.
- CDU established the Cruise Industry Research Support Fund and partnered with Queensland and Victoria to undertake cruise passenger research in both states. This will feed into CDU's annual Economic Impact Study and provide greater reliability of the research data.
- CDUs booth at Cruise Shipping Miami was expanded and refreshed, enhancing CDU's profile and enabling more meeting space for CDU development of a VIP Cruise Executives familiarisation to Australia.
- CDU had strategic input into two Federal Government Committees. These were the Sea Passenger Facilitation Committee and the Tourism Access Working Group.

I would extend my thanks to Jill Abel, CDU's General Manager who has been responsible for the delivery of all the projects agreed by the Management Committee. Jill has provided me 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
10 July 2012



The year 2011–12 has represented another year of growth for the cruise industry in the Australia South Pacific region and also for CDU.



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CDU is the peak
cruise industry
association
growing and
developing the
Australia/Pacific
region as one of
the world's leading
cruise destinations.



charter

Cruise Down Under (CDU) is the co-operative 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 and/or base 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 value benefits and services to members.

Stakeholder and Partnership Development

- Develop greater collaboration and affiliation with stakeholders and partners.



general manager's report

The cruise industry has continued to surpass projected growth in our region and the 2011–12 year saw the announcement from the major cruise lines to bring larger and more modern cruise ships into our region, for longer deployments. This has resulted in the industry dramatically increasing the range of cruise products, diversity of itineraries and availability of berth space. Cruise Down Under has worked enthusiastically to meet the demands of members and industry in delivering on strategic objectives, outlined in the 2011–12 Annual Operating Plan.

Membership grew by a strong 10%, reflecting the importance of the sector and the role of CDU. CDU continued to develop its professional standing within the international cruise industry, providing a strong voice for its members and a solid financial base on which to implement its marketing strategies.

Our key activities and achievement for 2011–12 were as follows:

Leadership and Governance

CDU has continued to provide strategic input into the National Sea Passenger Facilitation Committee and the Tourism Access Working Group. These two Federal Government Committees address a range of industry issues around access, border protection, security, customs and overall efficiencies across Government and industry. CDU submitted a paper to the Hawke Review into the Shared Access of Garden Island and continued to work with industry partners on infrastructure demands.

Research and Insights

The 2011 Cruise Down Under Conference, “Getting Regions Onboard”, and AGM was held in Newcastle, hosted by Cruise Hunter and Destination NSW. The conference attracted 108 delegates from Australia, Papua New Guinea, New Caledonia, New Zealand and the USA. Keynote international speakers included Captain Cees Deelstra from Holland America Line, David Vass from The World and Gavin Smith from Royal Caribbean Cruises. The conference continues to be the key annual cruise event in the region and provides the ideal forum for all levels of industry to gain valuable insights into the cruise industry, and to debate and share information.

The Economic Impact Study continued to be a major project in 2011–12 with the ongoing support of Tourism Australia. The 2010–11 season results were released at the CDU Conference in August 2011, reporting yet another year of industry growth. The findings of the 2011–12 year will be presented at the Annual Cruise Down Under Conference in Hobart.

The 2010–11 study included both international and domestic economic impacts of the cruise industry. The findings revealed that the total expenditure generated by the cruise shipping industry in Australia was approximately \$1.52 billion (an increase of 15.5%), with the international component totalling \$974 million (an increase of 18.6%). A more extensive summary of the findings can be found later in this annual report and is also available on the CDU website.

Cruise Down Under continues to expand the Economic Impact Study data to ensure that it is capturing the most reliable and relevant information. This year CDU initiated a Cruise Research Support Fund for Cruise Down Under members to access support to undertake cruise ship passenger research for their own requirements and more importantly to feed into CDU's Economic Impact Study. This year the initiative supported Victoria and Queensland undertaking extensive passenger research.



Marketing

CDU's presence at Cruise Shipping Miami was expanded and enhanced with a re-designed booth reflecting the CDU brand, with powerful new images that assisted in the promotion of Australia and the region. CDU had its largest ever team attend Cruise Shipping Miami and met with all major cruise lines in meetings prior and during Cruise Shipping Miami. CDU exhibited alongside Cruise New Zealand in one of CDU's most successful events to date.

CDU attended Cruise Shipping Asia in Singapore in November and met with a range of cruise lines. This event enabled CDU to demonstrate its commitment to the expanding region and gain valuable insights into the development of the Asian market.

CDU and its members hosted a number of familiarisation programs throughout the year showcasing regions including Western Australia, South Australia and New South Wales.

Growing Membership

The Management Committee continued its commitment to engage with members and industry around Australia. The committee met in Melbourne, Newcastle, Brisbane and Adelaide in the past year. The strong work delivered by the Management Committee resulted in eight new members joining CDU, the highest growth in the past 10 years.

Stakeholder and Partnership Development

Cruise Down Under was invited as a keynote speaker to the Indonesian International Cruise Workshop held in March 2012. Chairman Chris White shared CDU's experience in developing the cruise industry in Australia and the South Pacific region, provided insights into the value of developing an industry association and was able to engage and share knowledge with delegates and guest speakers. CDU has 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 acknowledge the efforts of the Management Committee and the members of CDU in contributing to what has been an outstanding year for CDU. The efforts during the year have also created strategic pathways in developing a number of new initiatives that will make for another exciting year ahead.

Jill Abel
General Manager

A sea turtle is shown swimming in clear, vibrant blue water. The turtle's shell is a mix of reddish-brown and orange hues, with distinct scutes. Its head and flippers are visible, and it appears to be moving towards the left. The water is crystal clear, showing some greenish-brown patches on the seabed below.

Employment opportunities increased by 17.6% and the number of visiting cruise ships to our region increased from 34 to 42.



highlights and achievements of 2011 | 12

<p>2011 Cruise Down Under Conference</p>	<p>The Cruise Down Under Conference “Getting Onboard Regions” was held in Newcastle in August 2011. There were 108 delegates in attendance and keynote speeches from: Capt. Cees Deelstra, Vice President Nautical Operations for Holland America Line; David Vass, Vice President Destination and Enrichment Programs for The World; and Gavin Smith, Managing Director for Royal Caribbean Cruises Australia. The conference had a global, national and regional focus that discussed the current cruise shipping trends and the effects on our growing cruise sector.</p>
<p>Cruise Shipping Miami 2012</p>	<p>The Chairman and General Manager led a CDU delegation at the Cruise Shipping Miami Convention and met key cruise line executives. The new, expanded stand proved a huge success, large iconic Australian imagery welcomed cruise lines and the extra space enabled CDU staff and members to meet comfortably with cruise lines on the stand.</p>
<p>Finance</p>	<p>The Association has maintained a sound financial position during a period of significant economic challenges.</p>
<p>Economic Impact Report</p>	<p>The 2011 Economic Impact Study reported a total expenditure of both international and domestic activity of \$974.7 million, including direct expenditure of \$499.2 million. An increase of 18.6% from the previous year. Employment opportunities increased by 17.6% and the number of visiting cruise ships to our region increased from 34 to 42.</p>
<p>Membership</p>	<p>Implementation of Stage 2 of the Membership Strategy concentrated on membership retention.</p>
<p>Marketing and Promotion</p>	<p>The marketing and promotion program included attendance, presentation and participation at relevant conferences, committees, forums and trade shows. Regular contact and provision of strategic advice to cruise lines was a feature of the year.</p>
<p>Management Committee Meetings</p>	<p>An Industry/stakeholder information session was held in Brisbane to coincide with a Management Committee meeting.</p>



cruise shipping overview

The cruise industry has continued to surpass projected growth in our region and the 2011–12 year saw the announcement from the major cruise lines to bring larger and more modern cruise ships into our region, for longer deployments. This has resulted in the industry dramatically increasing the range of cruise products, diversity of itineraries and availability of berth space. Cruise Down Under has worked enthusiastically to meet the demands of members and industry in delivering on strategic objectives, outlined in the 2011–12 Annual Operating Plan.

Global Cruising

The 2012 Cruise Shipping Miami Convention delivered a positive outlook for the cruise industry. Despite the ongoing impact of the Global Financial Crisis, in particular the debt crisis in Europe and the slow economic recovery in the USA, 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 (in effect the utilisation capacity was at 103% in 2010–11) and were now starting to report positive results in relation to yield. A summary of the global industry is as follows:

1. 16.3 million passengers undertook a cruise in 2011, up one million from 2010 (CLIA stats), 10 million were North Americans. There has been an increase of 125% in people cruising since the year 2000.
2. There will be another 25 new ships introduced to the market by 2015, increasing the number of ships to 231 and the bed capacity to 361,000.
3. There has been a large focus on

the Costa disaster and cruise lines have responded quickly to further enhance passenger safety at sea.

4. The European crisis continues to be a challenge for cruise lines.
5. Australia continues to be highlighted as a strong source market that still has considerable growth potential.
6. Brazil and Asia are in focus as strong emerging markets.
7. The high price of oil continues to be a concern for cruise lines and they may have to consider fewer port calls to enable slower steaming speeds to save on fuel costs.

National and regional cruising

Cruise executives discussed the positive deployment of new and larger ships to the Australia and South Pacific region in 2011–12 and are planning their commitment to the region for the coming two to three years. The region has shown resilience to the Costa disaster last year with sales figures for 2012–13 looking very strong.

Cruise lines continue to encourage

ports and anchorages in Australia and the South Pacific to become more consistent in the delivery of tourism products and services, which is always a challenge given the size of the country and the variety of products available. Cruise Down Under, in partnership with Tourism Australia, is currently investigating opportunities with State Tourism bodies for a more consistent approach.

The International Cruise Council Australasia (ICCA) reported that cruise passenger numbers increased by a massive 34% in 2011 with a total of 623,294 Australians cruising compared to 466,692 in 2010.

The South Pacific retained its position as the most popular destination for Australians, attracting 37% of passengers (230,321). The number of Australians cruising to New Zealand surged by 80% in 2011, to reach 84,013. The growth in passenger numbers saw a rise in estimated sea days (ie total days spent at sea by Australian holidaymakers) to almost 6.5 million – up 36% on 2010.

Australia's growth rate of 34% far exceeded other key international



markets. 2.7% of the Australian population took a cruise in 2011. This puts Australia second in the world in terms of market penetration. Australian passenger numbers now represent approximately 3.4% of the world cruise market.

NEW SOUTH WALES

Sydney

Sydney's booming cruise industry hits an all-time high with 214 vessel visits in the 2011–12 cruise season up from 150 last year - this represents a 43% increase, with more to come.

Also, in February, 33 vessels visited Sydney which was the highest number of cruise ships to ever visit in any one month - the cruise industry is now the biggest tourism success story in the State.

Next year we already have bookings for 264 cruise ship visits. The booming cruise industry is providing a real shot in the arm for the NSW economy and indeed for Sydney – a Deloitte survey released in February 2012 revealed the total spend by the cruise industry in Sydney will reach \$A1.3 billion by the 2019–2020 season, with cruise-related employment jumping from 3,150 to 10,000.

A highlight in this year's cruise season occurred in 'Super February' with the berthing of the Queen Mary 2 on Valentine's Day 14 February and the

Queen Elizabeth two weeks later on the 28 February.

Sydney, as a cruise destination, is in an extraordinary growth phase and it does not look like slowing down. Sydney Ports is working hard to meet the needs of the cruise industry, with \$A87 million currently committed to boosting cruise infrastructure.

These initiatives include:

- work underway on the new \$A57 million Cruise Passenger Terminal at White Bay;
- the development of a Master Plan for the Overseas Passenger Terminal (OPT), with \$A25 million set aside for improvements to that facility; and
- \$A5 million for improvements to mooring facilities at the OPT, which will allow the berthing of larger ships.

Sydney Ports is working with the cruise industry to provide the right services and infrastructure to support the growth in cruise shipping. Sydney Harbour is Australia's premier cruise ship destination and the only city in Australia with two dedicated cruise passenger terminals.

The cruise industry has consistently reaffirmed Sydney's reputation as a world-leading cruise destination.

This season, an additional six ships made their maiden visits to Sydney. They are Discovery, Costa Deliziosa, Radiance of the Seas, Celebrity Century, Zaandam and Sea Princess.

Sydney was recently voted the Best Cruise Port in the World, by Cruise Passenger Magazine, for the seventh year running.

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.

In August, Newcastle proudly hosted, for the first time, the 2011 Cruise Down Under Conference showcasing the Hunter Region to the national cruise industry, CDU members and international keynote speakers.

The 2011–12 cruise season saw a total of 12 cruise ship visits to Newcastle, comprising six transit calls and six home port visits by P&O Cruise's Pacific Sun. The transit calls included small boutique vessels and larger cruise ships, demonstrating Newcastle's appeal to a variety of markets. Maiden visits were received by Crystal Serenity, Spirit of Adventure, Pacific Pearl and Discovery. Regular visitor Rhapsody of the Seas made repeat port calls.

The visit by Discovery coincided with a turnaround by Pacific Sun and was the first time Newcastle hosted two cruise ships in port on the same day. The dual visit was a success displaying Newcastle's ability to confidently manage two cruise



cruise shipping overview

ships simultaneously. The final visit by the Pacific Sun was a milestone port call marking the 50th cruise ship to have visited Newcastle since the inception of Cruise Hunter, the regional initiative managed by Newcastle Port Corporation to develop the local cruise shipping industry.

At the commencement of 2012 Newcastle Port Corporation implemented a three-year Cruise Hunter Strategy aimed at generating growth of the local cruise shipping industry. Key areas addressed in the strategy included themes such as tourism product enhancement, trade and consumer marketing, destination development and stakeholder collaboration.

Recognising the growth of the Australian cruise market and the next generation of cruise ships being deployed to the Australian region, Newcastle Port Corporation successfully conducted port simulation exercises of cruise ships previously unable to visit because of port limitations. This port simulation will enable larger cruise ships to make future bookings to Newcastle.

A number of initiatives are currently being conducted by Cruise Hunter that aims to position Newcastle to meet cruise ship destination requirements and to capture Australia's growing cruise market.

Eden

The Port of Eden had three ships booked in for the 2011–2012 cruise



season, the Volendam, the Spirit of Adventure and the Athena. The Volendam was due to arrive on the 16th October 2011 and Eden was to be its first port of call in Australia, however, heavy seas delayed it in the Pacific and it had to sail directly into Sydney. The Spirit of Adventure and Athena arrived on cue and passengers experienced Australia's Coastal Wilderness at Ben Boyds Tower and Davidson Whaling Station with tours conducted by National Parks. Other tours visited Potoroo Palace Wildlife Sanctuary and the Killer Whale Museum. Athena had a first with a day tour to Canberra where passengers were able to visit Parliament House and the War Memorial. Cruise Ship visits inject money into our local economy through bus hire for tours, guides and passenger and crew visits to local shops and galleries. It provides valuable hands-on work experience for tourism and hospitality students who volunteer as "Meet and Greet" on the

day and work with the community to welcome and assist passengers.

Spirit of Adventure had a later departure so the local Aboriginal Dance Group went onboard and performed on stage for the passengers. They ranged in age from 8-18 years, telling their traditional stories through dance and didgeridoo and a tune played on a gumleaf. Passengers gave them a standing ovation. It provided these talented students with the experience of a lifetime. Athena was generous with a donation to assist this Dance Program.

The NSW Government has supported Cruise Eden with grants to provide hats (NSW Maritime-\$2,000) for passengers and uniforms (NSW Trade and Industry - \$2,500) for our volunteers. Destination NSW has been liaising with us, hoping to raise the profile and number of cruise ship visitations to the Port of Eden.



QUEENSLAND

Cruise shipping is the 'good news' story of the Queensland tourism industry. During 2010–11, the sector made a significant contribution to Queensland's tourism industry, generating direct and indirect expenditure of over \$368.2 million and supporting 1,650 full time jobs. 2011–12 saw double figure growth in the number of cruise ships visiting our ports, with projections for the 2012-13 giving an even brighter outlook.

Queensland's many ports welcomed more than 300 cruise ship visits during 2011–12. During the past year, Tourism Queensland has been actively pitching Queensland through a range of trade activities in a bid to attract new cruise ships to the State. One of the highlights of the season was the arrival to Brisbane, Airlie Beach and Cairns of the world famous Queen Mary 2 as part of her circumnavigation of Australia in March. The Queen Elizabeth was visiting at the same time, which produced great public interest and media attention.

Tourism Queensland conducted cruise forums to ensure the Queensland tourism industry is well equipped to service the growing cruise shore excursion requirements into the future. Tourism Queensland also worked closely with the key inbound tour operators to drive new innovative shore excursions and increase passenger satisfaction levels in anticipation of a return visit to the destination. Several familiarisations

for inbound tour operators and cruise lines were held to ensure product and destination knowledge is up to date. Audits of the cruise passenger experiences on arrival and departure in each of our major ports were undertaken to assist each destination in improving this component of the cruise experience. Queensland, with Cruise Down Under, also conducted cruise passenger surveys in Cairns, Airlie Beach and Brisbane. The surveys and have supplied reliable economic data on the level of cruise passenger expenditure.

Brisbane

Brisbane again exceeded expectations during the 2011–12 season, with year-round cruising and base porting helping the number of cruise ships who visited this year. Perfectly located for launching Pacific Island and Queensland coastal cruising, Brisbane will welcome four ships on their maiden Queensland visits this year.

Whitsundays

The Whitsundays enjoyed a bumper season with 40 cruise ships visiting the pristine blue waters. The highlight was a week in February where the Cruise Ambassador Volunteers welcomed the Queen Mary 2, Oriana, Rhapsody of the Sea and Radiance of the Sea.

The Cruise Ambassador volunteers met every cruise ship this season, offering a warm Whitsundays welcome to all passengers and receiving glowing reports in the Port Experience Audits.

Townsville

Queensland's commitment to providing infrastructure to support the growth in the cruise market continues with the development of Townsville's new state of the art Cruise Ship Terminal. Scheduled to be completed in 2013, the \$85 million investment to construct the terminal facility will provide passengers with a comfortable and relaxed travel experience.

VICTORIA

Cruise Down Under partnered with Tourism Victoria, the Port of Melbourne and the City of Melbourne to undertake primary research of more than 800 cruise passengers who visited Melbourne over the cruise season. A representative sample of domestic and international passengers from turnaround and transit ships was undertaken to provide valuable research data for the annual Economic Impact Study undertaken by CDU. Key findings from the study were that the most common reason for taking a cruise was because it included Australia as a destination; the most popular source for finding information about Melbourne was on board the ship, followed by the internet; two-thirds of visitors were likely to return to Melbourne again in the future; visitors had a high level of satisfaction with their overall experience in Melbourne (98%); and 89% were satisfied with the presentation of the cruise terminal.



cruise shipping overview

After a number of years of work with cruise lines, Portland will host their first cruise visits in February 2013 and March 2014. Portland has a deep harbour and an existing pier to accommodate cruise ships. Its access to the Great Ocean Road, Grampians National Park and a range of Indigenous experiences will ensure interesting shore excursions can be arranged by the cruise lines.

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

Melbourne

Station Pier hosted 56 cruise ship visits by 24 different vessels during the season, including eight turnaround visits, culminating in over 140,000 passengers and crew visiting Melbourne.

One of seven maiden visits, the arrival of the Queen Mary 2 generated enormous public interest, drawing thousands of onlookers to the Station Pier precinct to catch a glimpse of the largest cruise vessel to ever call at Melbourne.

To effectively manage the growth in vessel visits and passenger numbers, Port of Melbourne Corporation (PoMC) continues to work with the Melbourne Cruise Ship Committee to add value to the experience of cruise lines and their passengers. PoMC has also continued to invest in Station Pier as part of its long-term maintenance program to ensure this valuable heritage asset



continues to function as Victoria's cruise ship gateway.

Currently, 56 cruise ship visits are scheduled to call at Station Pier in 2012-13, including 15 turnaround visits, bringing an estimated total of up to 180,000 passengers and crew to Melbourne as part of a record season ahead.

Geelong

Geelong hosted two visits in the 2011-2012 season, with the Spirit of Adventure and Regatta tendering into the Royal Geelong Yacht Club. Both visits were extremely successful with passengers enjoying the sights of Geelong, the Bellarine Peninsula and the Great Ocean Road during their time in port. The Regatta has re-booked to visit Geelong in 2014, and the City of Greater Geelong remains positive that its plans to re-construct a new Pier and Yarra Street will be further developed by then.

WESTERN AUSTRALIA

With Australia's widest range of cruise port destinations along 12,000km of pristine coastline, Western Australia is a region of immense potential in the global cruise market. The State's Mediterranean climate in the south and tropical climate in the north has the capacity to support cruise ships year-round. In 2010-11 alone, the WA cruise sector generated over \$83.2 million of expenditure. The 2011-12 cruise season saw WA ports receive 115 cruise ship visits.

A Cruise WA brochure has been developed to showcase Western Australia's eight extraordinary port destinations as well as neighbouring Christmas Island. These brochures were distributed directly to the cruise lines at Cruise Shipping Miami and will be utilised at future trade events and used in targeted promotions.



In 2011, familiarisation visits were hosted for David Vass, from The World, and Chris Owen-Collett, from VIP Worldwide Cruise Operations Abercrombie and Kent. Tourism WA has delivered several presentations to industry to capitalise on the opportunities for tourism products to access the cruise market, and continues to work closely with ground handlers to deliver unique and innovative shore expeditions to cruise lines.

Targeted marketing and PR opportunities to promote Western Australia as a cruise destination include advertisements in SeaTrade publications as well as the creation of a cruise module for WA in Tourism Australia's Aussie Specialist trade training program.

A Cruise WA Committee (CWAC) comprising key regional stakeholders has been established to provide strategic advice on the development and implementation of Western Australia's Cruise Shipping Strategy. The Strategy will be based on the extensive consultation conducted by Tourism WA in 2011.

Tourism WA's Cruise Passenger Research Project in collaboration with Tourism Research Australia aims to profile cruise passengers visiting Bunbury, Fremantle, Geraldton and Broome, understand their buying behavior and their experiences as visitors to Western Australia's key port destinations.

In Australia's South West region, a boat harbour is currently under construction in Augusta, between

the ports of Bunbury and Albany. The local Boat Harbour Committee is advocating for the attraction of cruise ships to Augusta through the inclusion of necessary harbour infrastructure to accommodate cruise ship tourists and a tender jetty.

Geraldton, in Australia's Coral Coast region, has in the past faced limitations in capacity to service the cruise ship passengers in terms of transport options. Recently there has been a breakthrough with seven to eight coaches now available through partnerships with local transport providers.

Fremantle

From July 2011 to the end of April 2012, Fremantle Ports has had 38 visits from cruise vessels, with a total of almost 90,000 passengers embarking, disembarking or transiting through the Passenger Terminal.

The 2011–12 cruise season saw 10 cruise vessels visit Fremantle, including two visits of the Queen Mary 2 on 8 and 28 February 2012 and first time visits from Celebrity Century and Costa Deliziosa.

A notable disappointment occurred in December 2011, when Carnival Australia announced that the Pacific Sun had been sold and her cruises in Australia would cease in July 2012.

Carnival Australia has subsequently cancelled the Pacific Sun's nine visits for spring 2012 season and the nine visits for spring 2013 season. At this time Carnival has not announced any replacement for the Pacific Sun.

The economic value of the Cruise Sector to WA is expected to increase substantially from \$83.2 million of expenditure in 2010–11 when 2011–12 figures are collated especially given the global growth is tracking at approximately 10% per annum.

Figures released by International Cruise Council Australasia advised that in 2011 Australian cruise passenger numbers had reached a record high – 623,294 Australians took cruise holidays last year, which is 34% up on the previous year and Western Australians accounted for 9% of the total numbers who took a cruises in 2011.

With global growth tracking at approximately 10% per annum, this was a major reason in 2011 that Tourism Western Australia (Tourism WA) identified Cruise Shipping as one of the State's tourism priorities and recognised a need to get more involved with this segment of tourism

Tourism WA has been working with key stakeholders, including Fremantle Ports to maximise the market potential for Western Australia and the formation of a State wide Cruise Advisory Council who will be tasked with planning how to achieve a state cruise tourism vision, is close to realisation. A number of areas have been identified during the consultation process where Tourism WA is to work with industry on destination awareness and marketing, including the production of a WA trade brochure and coordination of an 'Extraordinary Western Australia' presence at Cruise Shipping Miami in 2012, cruise shipping's premier trade event.



cruise shipping overview

Between 12-15 March, Fremantle Ports and Tourism WA attended Cruise Shipping Miami, cruise shipping's premier global tradeshow. Western Australia participated in the event under the banner of Cruise Down Under, joining the strongest delegation from Australia ever to attend the event.

At the event two main programs run concurrently – a trade show and a conference. During the course of the trade show, Cruise Down Under had arranged scheduled appointments with all the major cruise lines including Costa, Carnival Corp, Royal Caribbean, Holland America Line and MSC. The feedback from the cruise lines was extremely positive, both for Australia and Western Australia, with further anticipated growth in scheduled visits and deployment of ships to the region. Next season (2012–13) will see Carnival deploy Carnival Spirit to the region in October; and in November, Royal Caribbean's Voyager of the Seas will arrive in Australia on seasonal deployment.

Overall competition at the tradeshow was extremely intense, with over 1,000 exhibitors pitching for a slice of the cruise business.

The conference sessions were extremely informative, with industry leaders from all the major cruise lines providing information on the status of the industry, emerging

markets, deployment strategies, sales, marketing, IT and communications.

Fremantle Ports acknowledges the marketing promotion undertaken by CDU in 2011–12 and congratulates Chris White and her Management Committee on their achievements over the past 12 months. We also wish to thank General Manager Jill Abel for her assistance and thank retiring Committee member Evda Marangos for her tireless efforts in developing CDU's corporate plans and production of the CDU Annual Report. A former Chairman and Deputy Chairman, Fremantle Ports wishes Evda all the best for the future.

TASMANIA

The season from October 2011 to April 2012 was one of the most successful ever. A total of 68 port calls were made, with 33 visits to Hobart, 17 to Burnie, one to Devonport and 17 calls to the anchorages of Port Arthur, Coles Bay and Wine Glass Bay.

Tasmania successfully bid for the Cruise Down Under National Conference and looks forward to welcoming delegates to Hobart from 29-31 August 2012, and to showcase the State as a world-class cruise ship destination.

Tourism Tasmania released a three-year Cruise Ships Strategy which aims to maximise the potential of cruise tourism in Tasmania by providing a

framework for industry partners to address planning, development and marketing issues to achieve growth of the sector.

Tasports finalised a tender process and is set to commence construction on the \$7 million redevelopment of Macquarie Wharf Shed No 2, which will transform the existing shed into a dedicated facility for the cruise and Antarctic sectors.

In Hobart, the Lord Mayor, Town Crier and Hobart Visitor Volunteers welcomed visitors from 17 cruise ships which made a total of 33 port calls. A specialist Hobart Cruise Arrival Guide was provided to all passengers and crew and a complimentary bus shuttle operated for passengers.

The City of Burnie hosted 17 port calls during the season, with three ships making inaugural visits. The new Burnie Mayor continued the tradition of being port-side to welcome all visitors, and the bus shuttle and 'meet and greet' service were as popular as ever.

The Port Arthur Historic Site had its busiest cruise season, with six vessels making eight visits into the deep water harbour. Some of the largest cruise ships visited, with The World making her maiden call to Port Arthur.

Tasmania's ports provide easy access for cruise passengers to enjoy wilderness and wildlife, cruise majestic



harbours and rivers, hear convict stories and explore heritage sites, or walk along deserted beaches and be inspired by spectacular landscape and coastline.

Tasmania's cruise sector partners continue to work together to ensure the delivery of exceptional service to cruise ship companies, shore excursion operators and passengers to ensure memorable and rewarding Tasmanian experiences.

SOUTH AUSTRALIA

South Australia hosted a very successful cruise ship season from September to March, with 23 cruise ships visiting Adelaide and regional ports of Kangaroo Island and Port Lincoln. The expedition cruise vessel, True North, also offered itineraries along the South Australian coastline.

The Queen Mary 2 visited Adelaide twice, offering an itinerary from Adelaide as part of her circumnavigation of Australia. Welcoming the QM2 for the fourth year still gets South Australians excited and attracts massive crowds of spectators watching her come into the Port Adelaide channel.

Another highlight for our season was hosting the biggest cruise weekend in South Australian history. The Port Adelaide Passenger Terminal welcomed the Queen Mary 2 on Saturday 11 February, then the next day, three ships in port on Sunday 12 February, the Celebrity Century, Crystal Serenity and the Athena.



As part of the weekends 'cruise' celebrations, the South Australian Tourism Commission partnered the Adelaide City Council, Rundle Mall Traders Association and the local Port Adelaide community to extend city trading hours and offer a community fair and entertainment for locals viewing the ships in port.

Classic International Cruises, Athena, home ported in Adelaide for the fourth year, offering itineraries visiting Kangaroo Island, Port Lincoln, Tasmania, Melbourne and Sydney. As a regular visitor to South Australia, Athena, will again offer new and exciting 'Southern Ocean Cruising' itineraries in 2012-13 from Adelaide, including the first cruise ship to anchor at Robe in the Limestone Coast.

The South Australian Tourism Commission continues to be focused in developing infrastructure and product in regional ports and will launch the new Tender Landing

Structure at Penneshaw on Kangaroo Island in August 2012. This exciting development, in conjunction with Sealink's new passenger terminal due for completion in early 2013, is putting Kangaroo Island on the map as a new cruise destination. Over the next two seasons, Kangaroo Island has nine cruise ships scheduled to visit; the first to use the new facilities will be the Volendam in November 2012.

The focus in South Australia for the next 12 months will be in regional dispersal, developing regional ports and educating regional communities of the growth and benefits of supporting the cruise industry.

Kangaroo Island – 'Australia's Galapagos', Port Lincoln – the 'seafood capital', and the newest regional cruise destination, Robe – in the heart of the Limestone Coast, are all South Australian regional ports being offered as destinations in the 2012-13 Australian cruise season.

cruise shipping overview

With our 'Team South Australia' approach and the South Australian Tourism Commission's ongoing support to the cruise industry, we are all embracing the exciting new opportunities coming to regional South Australia.

NORTHERN TERRITORY

Darwin

The Port of Darwin has had a very successful cruise ship season this year with its busiest season generally being October to May. February this year was the Port of Darwin's biggest month in cruise ship history. It saw nearly 15,000 passengers pass through in that month alone. On Wednesday 22 February the Queen Mary 2 sailed into the Harbour on her maiden voyage to the Port of Darwin. The luxury liner carried over 2,400 passengers and 1,285 crew into the Port for a day trip before travelling on to Komodo. The QM2 left locals in awe of her sheer size and beauty.

Several other vessels sailed into the Port of Darwin on their maiden voyages this year including Zaandam, Discovery, Celebrity Century and Athena. This brought over 6,000 passengers and 2,500 crew into the Port.

The Port of Darwin also had its regular guests berth into Fort Hill Wharf including the 7 Seas Voyager, Sun Princess, Rhapsody of the Seas, and the Dawn Princess. Each vessel carries an average of 1,500 guests and 800 crew



members. The Orion, Coral Princess, and Oceanic Discoverer are three ships which operate regular cruises throughout Darwin, the Kimberley and Indonesia during the dry season months of May to October.

The Darwin Port Corporation continues to build good relationships with shipping agents in order to encourage tourism to the Top End. Darwin has much more to offer than just beautiful weather. Tourists can go 'crocodile spotting' in the Adelaide River, catch a 'barra' on a fishing charter or just relax by the water in Litchfield National Park, either way Darwin has something to offer for everyone. The upcoming year 2012–13 again looks like a promising year, with over 80 vessels already booked to berth at Fort Hill Wharf. There are some exciting opportunities coming up for the Darwin Cruise Ship Terminal and we are pleased to be a part of its future.

INDONESIA

The traffic in Indonesia continues to grow. In 2012, 36 different cruise ships will be operating 200 cruise calls in the Indonesian Archipelago. This represents some 120,000 passenger calls distributed in 52 different destinations in Indonesia.

2012 represents a major milestone for the cruise development in Indonesia. The dredging of the port of Benoa carried out in 2011 now permits to increase the size of vessels accommodated alongside from 205 to 280 m LOA. The Legend of the Seas was the first very large cruise ship to experience calling Bali alongside followed a few weeks later by the Crystal Serenity and the Celebrity Century.

A special Department was created in April 2012 within the Ministry of



Tourism and Creative Economy for coordinating the work between government and Indonesian cruise stakeholders to accelerate cruise development in Indonesia.

Priority will be given to the port of Benoa in Bali, the goal being to accommodate the Voyager of the Seas class vessels alongside by mid-2013. At the same time a number of major cruise ports will be dredged in order to accommodate very large cruise ships in ports such as Semarang, Surabaya and Jakarta. The Ministry of Tourism will also continue to improve the standard of other cruise destinations throughout the Indonesian Archipelago in order to facilitate the operations of all cruise lines.

The number of cruises operated in Indonesia is increasing very quickly with cruise lines such as Holland America Line, Orion Expedition Cruises, Seabourn Cruise Line, Silversea Cruises and Zegrahm Expeditions now operating regular full cruises throughout the Indonesian Archipelago.

Cabotage in Indonesia is restricted to Indonesian-flagged vessels. Dispensation has so far been given on a case basis to cruise operators. Following requests from the cruise lines, the Government of Indonesia is considering the possibility to open cabotage to cruise ships in Indonesia in order to develop Bali as a regional turnaround port and develop cruises throughout the Indonesian Archipelago.

NEW CALEDONIA

New Caledonia continues to grow in popularity with a total of 210,879 cruise passengers in 2011 compared to 203,879 in 2010 (+3.4%). Noumea hosted 104 cruise ship visits and Lifou 82, in 2011.

The investments are therefore multiplying in the different stops for cruise lines to best meet the increasingly numerous passengers and to always offer them new products.

At Lifou, where the quality of care continues unabated year after year, visitors have benefited from the renovation of the little church of Our Lady near the Easo site and from its access. Located high, it is also a pleasant view point and is accessible by foot or mountain bike. Cruise passengers can also now enjoy all the health amenities necessary during their excursions and whilst swimming in the bay of Janek.

At the Isle of Pines, a new product was introduced "Lagoon Adventure", a two-and-a-half hour boat ride

that takes visitors to Kanumera, Ilot Brosse, Baie des Tortues and Nokanhui without forgetting a snorkelling stop to see dolphins, manta rays and other wonders of our UNESCO registered World Heritage Site lagoon.

In Nouméa, many new products have been created. Cruise passengers can also now enjoy the new Mirage Plaza shopping complex 7/7 on the Baie des Citrons that houses a wine shop, a chocolatier, an ice cream shop, a creperie, boutiques and many cafés and restaurants.

2011 was also marked by the Maré Carnival survey to study the future impact of cruise ship passengers on the local population for the opening of the stopover in 2012 at Tadine. The new stops have therefore successfully started in early 2012.

New Caledonia is pleased with the enthusiasm from cruise passengers for its destination, and we are excited to announce even more projects, new products and a new anchorage awaiting the expected 300,000 cruise passengers in 2013.

management committee – 2011 | 2012



Chris White

Chairman Tourism Victoria

Term Expires 2013

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 partnership 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.

David Brown

Deputy Chairman Cruise Hunter

Term Expires 2012

David has held the position of Cruise Hunter Coordinator for Newcastle Port Corporation since 2006. David has served on the Management Committee of Cruise Down Under since 2008 and in the role of Deputy Chairman since 2011.

Cruise Hunter 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 strategic goals. This includes product development and education, marketing initiatives and infrastructure and policy making. David has experience of the cruise industry at the 'grass roots' level by managing a cooperative stakeholder approach to cruise ship visits in Newcastle. This approach ensures each port call is successful and that the destination needs and requirements 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. He also represented Australia at the 2010 International Convention in Malta.

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

Glenn Stephens

Treasurer

Fremantle Ports

Term Expires 2013

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 practicing accountant, a member of CPA Australia, Fellow of the Institute of Public Accountants, a Member of the Australian Institute of Company Directors and Member of A.I.C.O.

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

Evda Marangos

Member

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 manage 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 is a past CDU Chairman and Deputy Chairman.

Leah Clarke

Member South Australian Tourism Commission

Term Expires 2013

Leah Clarke is a Senior 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 aviation and cruising.

Leah has a particular interest in increasing South Australia's market share of cruise ship arrivals and reducing impediments to access South Australian ports. Over the past three years 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 development and education.

Leah has worked for the South Australian Tourism Commission for the past 10 years with experience in business advice, product development, national tourism and business accreditation, and business and operator training and has worked as an advisor for the Minister for Tourism.

Prior to working at the South Australian Tourism Commission,

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

Tyler Wood

Member

Bob Wood Cruise Group

Term Expires 2013

With over 12 years experience in the travel industry, Tyler, along with his business partner, Jay McKenzie, has created Bob Wood Cruise Group, a company dedicated to the implementation and management of professional ground logistics for international cruise lines, as well as working with tourism bodies to implement quality industry standards that cruise lines have come to expect.

A recent addition to the company is the formation of Cruise Guides Australia, created with the objective of bringing a nationwide industry standard to the guiding business focusing on the needs of the international cruise market.

Tyler is looking at doing this through collaboration with his cruise line partners, STOs and the various training and education facilities within Australia.

Prior to forming Bob Wood Cruise Group, Tyler worked in the family business alongside his mentor and prior CDU Committee Member, Judy Wood.

Richard Doyle

Doyle Tourism Services Pty Ltd (stepped down in May 2012)

Term Expires 2012

Richard is founder and director of Doyle Tourism Services Pty Ltd. 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.

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

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).

General Manager

Jill Abel

July 2011 to June 2013

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:

94	1 July 2011	Melbourne
95	26 August 2011	Newcastle
96	AGM 26 August 2011	Newcastle
97	26 August 2011	Newcastle
98	30 November 2012	Adelaide
99	15 February 2012	By Teleconference
100	2 May 2012	Brisbane

Attendance at Management Committee Meetings

Record of attendance at scheduled Management Committee meetings:

Member	Meetings Attended	Meetings Eligible to Attend
Chris White	7	7
David Brown	7	7
Evda Marangos	7	7
Glenn Stephens	4	7
Tyler Wood	3	4
Leah Clarke	7	7
Richard Doyle	7	7
Claire Willis	3	3
Tourism Australia	5	7
Jill Abel	7	7



Sub-Committees and Portfolios

Listed below is the allocation of responsibilities for the sub-committees and portfolios for the 2011–12 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 - 2012 Conference Organising Committee (Tyler Wood - Chairman, Jill Abel) – 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
- Media spokesperson

Focus 1 – Chairman (Chris White)

- Leadership
- Governance
- Political liaison
- Media spokesperson
- Cruise line liaison

Focus 1 – (Evda Marangos)

- Annual Operating Plan
- 3 year Strategic Plan
- Position Description

Focus 1 – Treasurer (Glenn Stephens)

- Financial management and reporting budget
- Insurance

Focus 4 – Dep Chairman (David Brown)

- Membership

Focus 1 – Members (Evda Marangos/ Leah Clarke)

- Annual report

Focus 1 – Members (Leah Clarke)

- Communications report

2011–2012 Annual Operating Plan

Vision Develop and grow the Australia, Asia and South Pacific region (CDU) as a major world class base and destination for cruise ships.	Focus 1 Leadership and Governance	Focus 2 Research and Insights
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.	Objectives Establish strategies to continue the recognition of CDU as the respected peak organisation connecting the broader cruise industry	Provide CDU members with useful, accurate and meaningful research and customer information
Objective To influence cruise and charter operators to develop itineraries to increase cruise ship visits in the CDU region.	Key Outcomes 2011–12 <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
	Priority Projects 2011–12 <ul style="list-style-type: none"> • Review Articles of Association • Develop future funds strategy • Prepare Annual Operating Plan, Annual Report, Financial Report, Budget • Review governance reports, eg Business Continuity Plan, Code of Conduct 	<ul style="list-style-type: none"> • Secure government funding to conduct research into the economic impact of cruising – Tourism Research Aust. • Annual cruise conference (incl. industry sessions) • Respond to Government inquiries ie: Hawke Report • Miami Conference (Educational Component)
	Other Important Projects <ul style="list-style-type: none"> • Project CDU as the peak marketing body and primary connector of business-to-business • Continue to enhance relationships with Federal, State Governments, trade media, industry • Manage CDU's IP and maintain business integrity 	<ul style="list-style-type: none"> • Conduct passenger surveys in partnership with destinations • Maintain a comprehensive customer database • Review EIS methodology for use in destination surveys
	Key Performance Indicators (KPIs) <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/maturity of the association 	<ul style="list-style-type: none"> • Communicate the Economic Impact Study findings to members and stakeholders incl. Federal and State Governments • Host 2011 cruise conference • Review communications strategy
Completed Projects in 2011–12	<ul style="list-style-type: none"> • Review three-year Strategic Plan • Annual Report • Annual Operating Plan • Financial Report and Budget • Participation on National Sea Passenger Facilitation Committee • Participation on Tourism Access Working Group • Legal briefing re Rules of Association • Meet Federal Tourism Minister 	<ul style="list-style-type: none"> • Economic Impact Study 2012 • Industry sessions • Passenger surveys – Victoria and Queensland • Miami Cruise Conference report • Cruise Down Under brochure • Submission to the Hawke Report

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 co-operation • Understanding/awareness of stakeholders' objectives and operations
<ul style="list-style-type: none"> • Participate at Miami Cruise Conference • Review communications strategy • Marketing plan for 2011–12 • Leverage on key stakeholders cruise sector comments • Work to include a cruise ship component within relevant associations' agenda 	<ul style="list-style-type: none"> • Review 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 • Mega Famil Planning 	<ul style="list-style-type: none"> • Review communications strategy for members • Rotate management meetings in different locations (educational component) • Host industry sessions • Brief executives incl. 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 Miami Cruise Conference – Increase participating members • Meet US cruise executives • Circulate US Sales Mission and Miami Conference reports • 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 • New CDU Booth • Media – Lateline interview, ABC WA television • Media releases: <ul style="list-style-type: none"> – CDU Economic Study – CDU 2011 Conference – CDU Conference Speakers • Website updates 	<ul style="list-style-type: none"> • Engaged eight new members • Management Committee meetings in Adelaide, Brisbane and Melbourne • Promote membership 	<ul style="list-style-type: none"> • CDU News • Members' updates • Confirmed TA commitment • Conducted industry events: Brisbane



project reports

Cruise Down Under Conference

The 2012 Cruise Down Under Conference was held in Newcastle in August and sponsored by Cruise Hunter and Destination NSW. The conference theme "Getting Regions Onboard" attracted 108 delegates from Australia, New Caledonia, New Zealand, Papua New Guinea and Indonesia.

Keynote presentations:

- Capt. Cees Deelstra, Holland America Line, and David Vass, The World
- Gavin Smith, Royal Caribbean Cruises Australia & New Zealand

Other speakers included:

- Leigh Sorensen, Tourism Australia
- Simon Smith, AEC Group
- David Nye, Newcastle Airport
- Ian Cameron and Alan McGuigan, Destination NSW
- Kaylene Zakharoff, National Sea Passenger Facilitation Committee

Panel sessions entitled "The Shore-ex from Hell" and "The Model Port".

Cruise Shipping Miami

Cruise Shipping Miami is a key promotional event on CDU's marketing program. In 2012, it was attended by the following members:

- Chris White (CDU Chairman) – Tourism Victoria
- Jill Abel – General Manager, CDU
- Leah Clarke – South Australia Tourism Commission
- Tyler Wood – Bob Wood Cruise Group
- Mark Alfano – Bob Wood Cruise Group
- Rachel Telford – Tourism WA
- Thor Elliott – Fremantle Ports
- Peter Raines – Darwin Port
- Anne McVilly – Tasmanian Visitor Information Centre
- Julie Averay Cuesta – Tourism NT
- Irene Morgan – Destination NSW
- Lachlan Benson – Sydney Ports
- Paul Mifsud – Carnival Australia
- Jason Drury – Southern Cross Shipping
- Jerry Agus – Papua New Guinea Tourism

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
- Saga Cruise Line
- Regent Seven Seas Cruises/Oceania Cruises
- Seabourn Cruise Line



Economic Impact Study

The 2010–11 study undertaken by AEC Group continued to be funded by CDU and Tourism Australia. The study reports on both the international impacts of cruise as well as the domestic activity. The study reports a total expenditure of both international and domestic activity of \$1.52 billion in 2011–12, including direct expenditure of \$789.5 million. This was a 15.5% increase from 2009-10 when total expenditure was estimated at \$1.3 billion. If looking solely at the international market, the total expenditure was \$974 million, an increase of 18.6% on the previous year.

The table on the right highlights growth trends for the period 2009-10 to 2010–11:

Table E.1: Comparison of Australian Cruise Ship Industry Demand Indicators

	2009-10	2010-11	Actual Change	% Change
Number of Australian ports visited by cruise ships	30	29	-1	-3.3%
Cruise Ship Characteristics				
Number of visiting cruise ships	34	42	8	23.5%
Passenger capacity of the cruise ships	41,803	49,254	7,451	17.8%
Number of crew on the cruise ships	18,335	21,786	3,451	18.8%
Cruise Ship Visits				
Number of cruise ship visits to ports	582	568	-14	-2.4%
Passengers and Crew				
Total passenger days at port	1,091,596	1,081,665	-9,931	-0.9%
Total crew days at port	235,128	237,386	2,258	1.0%
Expenditure				
Passengers (\$m) ^(a)	\$278.4	\$305.5	\$27.0	9.7%
Crew (\$m) ^(a)	\$39.7	\$43.5	\$3.8	9.6%
Port-related by operators (\$m)	\$364.5	\$440.6	\$76.1	20.9%

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, 2010–11 (includes both Domestic and International Passenger and Crew Expenditure)

Port	Visit Days	Passenger Days at port	Crew Days at port	Direct Expenditure (\$m)			Total
				Passengers(a)	Crew	Operator	
NSW:							
Eden	5	4,811	1,224	\$0.4	\$0.1	\$0.2	\$0.7
Newcastle	13	42,893	7,656	\$14.4	\$1.6	\$7.1	\$23.2
Sydney Harbour	146	467,826	101,594	\$170.7	\$24.2	\$205.0	\$400.0
Total	164	515,529	110,474	\$185.6	\$25.9	\$212.3	\$423.9
VIC:							
Geelong	2	589	338	\$0.1	\$0.0	\$0.1	\$0.2
Melbourne	36	68,302	15,887	\$18.8	\$2.4	\$47.2	\$68.5
Phillip Island	1	70	39	\$0.0	\$0.0	\$0.0	\$0.0
Total	39	68,961	16,264	19	2	47	69
QLD:							
Brisbane	74	203,387	41,239	\$64.8	\$8.7	\$100.1	\$173.7
Cairns/Yorkeys Knob	44	41,905	7,337	\$3.9	\$0.5	\$2.0	\$6.4
Cooktown	4	1,912	0	\$0.2	\$0.0	\$0.0	\$0.2
Mackay/Whitsundays*	41	51,692	13,686	\$4.6	\$0.9	\$1.0	\$6.5
Port Douglas	19	24,023	0	\$2.0	\$0.0	\$0.1	\$2.1
Thursday Island	4	920	0	\$0.1	\$0.0	\$0.0	\$0.1
Townsville	7	5,026	1,682	\$0.5	\$0.1	\$0.5	\$1.0
Total	193	328,863	63,944	\$76.1	\$10.2	\$103.7	\$190.0
SA:							
Adelaide	12	11,954	3,439	\$2.1	\$0.5	\$0.7	\$3.3
Kingscote	2	716	309	\$0.1	\$0.0	\$0.0	\$0.1
Port Lincoln	2	535	263	\$0.0	\$0.0	\$0.0	\$0.1
Total	16	13,205	4,011	\$2.2	\$0.6	\$0.7	\$3.5
WA:							
Albany	8	6,971	1,928	\$0.6	\$0.1	\$0.4	\$1.1
Broome	14	10,288	2,950	\$0.9	\$0.2	\$0.5	\$1.6
Bunbury	7	8,015	2,185	\$0.7	\$0.1	\$0.4	\$1.3
Esperance	3	1,315	374	\$0.1	\$0.0	\$0.1	\$0.2
Exmouth	3	2,327	697	\$0.2	\$0.0	\$0.1	\$0.4
Fremantle	29	32,774	9,187	\$7.2	\$1.7	\$28.2	\$37.1
Geraldton	4	5,895	1,464	\$0.5	\$0.1	\$0.6	\$1.2
Total	68	67,586	18,785	\$10.2	\$2.3	\$30.4	\$42.9
TAS:							
Burnie	11	16,108	3,843	\$1.6	\$0.4	\$0.6	\$2.6
Hobart	26	27,734	7,626	\$2.8	\$0.8	\$1.2	\$4.8
Port Arthur	3	1,840	441	\$0.2	\$0.0	\$0.1	\$0.3
Total	40	45,681	11,910	\$4.6	\$1.3	\$1.9	\$7.8
NT:							
Darwin	46	40,056	11,504	\$7.7	\$0.7	\$44.4	\$52.8
Total	46	40,056	11,504	\$7.7	\$0.7	\$44.4	\$52.8
TERRITORIES:							
Christmas Island	0	0	0	\$0.0	\$0.0	\$0.0	\$0.0
Norfolk Island	2	1,785	494	\$0.2	\$0.0	\$0.0	\$0.2
Total	2	1,785	494	\$0.2	\$0.0	\$0.0	\$0.2
Total	568	1,081,665	237,386	\$305.5	\$43.5	\$440.6	\$789.6

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)		
	2009-10	2010-11	% Change	2009-10	2010-11	% Change
Output (\$m)						
Direct	\$424.5	\$499.2	17.6%	\$682.5	\$789.5	15.7%
Indirect	\$397.6	\$475.5	19.6%	\$636.5	\$734.0	15.3%
Total	\$822.1	\$974.7	18.6%	\$1,319.1	\$1,523.5	15.5%
Wages Income (\$m)						
Direct	\$121.0	\$142.0	17.4%	\$193.6	\$238.9	23.4%
Indirect	\$94.1	\$112.5	19.5%	\$148.9	\$171.2	15.0%
Total	\$215.1	\$254.5	18.3%	\$342.5	\$410.2	19.8%
Employment (FTEs)						
Direct	2,000	2,326	16.3%	3,313	4,332	30.8%
Indirect	1,632	1,944	19.1%	2,623	3,047	16.1%
Total	3,632	4,270	17.6%	5,937	7,379	24.3%
Value Added (\$m)						
Direct	\$202.5	\$234.1	15.6%	\$330.3	\$381.1	15.4%
Indirect	\$180.0	\$215.0	19.4%	\$284.7	\$328.1	15.3%
Total	\$382.6	\$449.1	17.4%	\$615.0	\$709.2	15.3%

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





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 and 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 Pty Ltd, joined the committee providing a second private sector representative.

In 2011, Claire Willis resigned from the committee and Tyler Wood, Bob Wood Travel, was elected at the 2011 AGM in Newcastle.

In May 2012, Richard Doyle resigned from the committee to undertake his new role as Marketing Manager for Captain Cook Cruises.



record of past annual general meetings and cruise conferences

Year	Destination	No. of Attendees	Date
2011	Newcastle	108	24-26 August
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 past management committees

Immediate past management committee

Year	Chairman	Deputy Chairman	Treasurer	Member	Member	Member	Member	Tourism Aust.	General Manager
11/12	Chris White Tourism Victoria	David Brown Cruise Hunter	Glenn Stephens Fremantle Ports	Evda Marangos Port of Melbourne Corporation	Leah Clarke South Australian Tourism Commission	Tyler Wood Bob Wood Cruise Group	Richard Doyle Doyle Tourism Services	Leigh Sorensen Tourism Australia	Jill Abel

Note: Richard Doyle stepped down as of 30 May 2012 and the position remained vacant until the 2012/13 elections.

Past management committees

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 Australian Tourism Commission	Claire Willis Abercrombie & Kent	Richard Doyle Doyle Tourism Services	Leigh Sorensen Tourism Australia	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 Australian Tourism Commission	Matthew Cameron-Smith Tourism Australia	Jill Abel

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 John Treacy & Associates Pty Ltd	Dawn Howell Tourism Australia	Jill Abel

Year	Chairman	Deputy Chairman	Treasurer	Member	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 Corp	Chris White Tourism Victoria	John Treacy John Treacy & Associates Pty Ltd	Wendy Hills Tourism Australia	Jill Abel

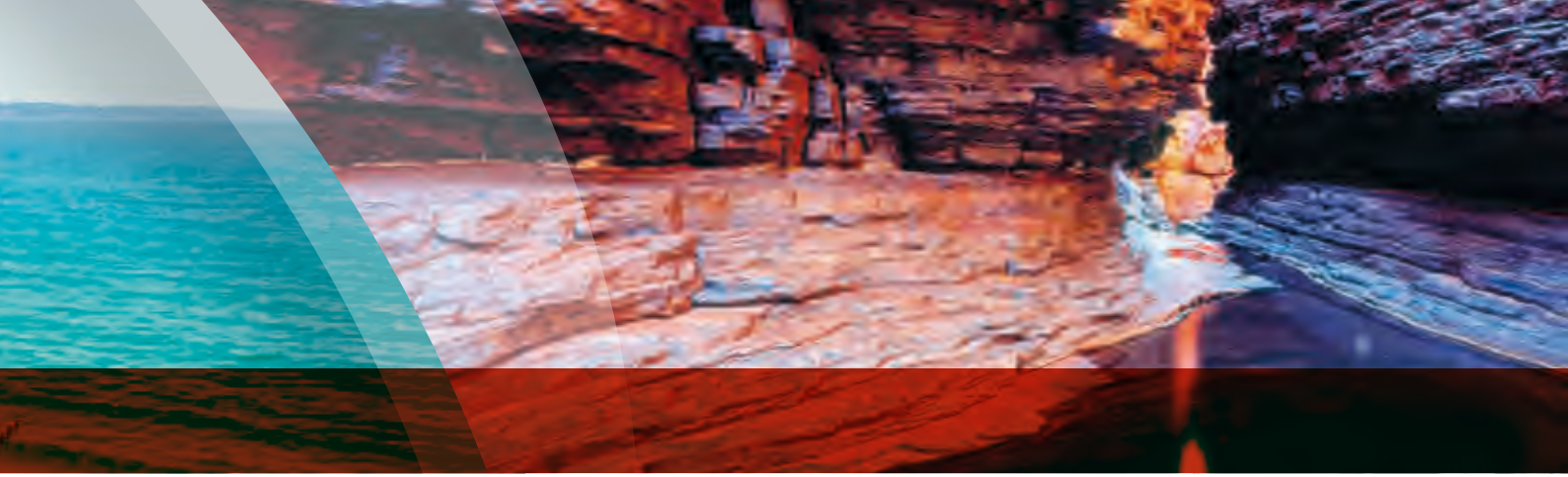
Prof. Ross Dowling, Academic Advisor to the Chairman since December 2005. Past Management Committees – 1997-98 and 2007-08 refer to www.cruisedownunder.com



members' register

CDU registered 71 members as at 30 June 2012:

Name	Person	Level	Member since
AAT Kings	Peter Townsend	Bronze	2005
Abercrombie & Kent	Deborah Bennett	Silver	2002
Admirals Casinos	Michael Hackman	Bronze	2003
AFT Tourism Marketing	David Lyons	Bronze	2011
Australian Pacific Touring	Fleur Ulbrick	Bronze	2007
Australian Shipping Supplies	Richard Fader	Bronze	2006
The AOT Group Pty Ltd	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	Brett Whiteley	Gold	1998
Captain Cook Cruises (WA)	Graeme Skeggs	Bronze	2011
Carnival Australia	Paul Mifsud	Silver	2006
Chart Management Consultants	Ted Blamey	Bronze	2011
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	Terry O'Connor	Platinum	1995
Dept of Resources, Energy & Tourism	Helen Cox	Honorary	1993
Dept of Transport – Victoria	Mark Curry	Gold	2000
DEEDI - Queensland	Mark Jones	Bronze	2003
Destination New South Wales	Alan McGuigan	Platinum	1995
Doyle Tourism Services Pty Ltd	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	Matt Dommenez	Silver	2011
Indonesia, Ministry of Culture and Tourism	Rizha Handayani	Platinum	2009
Intercruises Shoreside and Port Services	Martin Bidgood	Silver	2011
Kuranda Scenic Railway	Ivana Andacic-Tong	Bronze	2008



Name	Person	Level	Member since
Melbourne Star Cruises	Tim Ryan	Bronze	2008
Mike Bartlett	Mike Bartlett	Honorary	2007
Moonshadow Cruises & Port Stephens 4WD	Janene Rees	Bronze	2010
Nationwide (Aust) Services Pty Ltd	Louise Foster	Silver	2011
Northern Highland Tourism Pty Ltd	Jenny Aitchison	Bronze	2009
New Caledonia Tourism - South Noumea	Jean Michel Foutrein	Platinum	2001
Papua New Guinea Tourism	Jerry Agus	Platinum	2005
Port Arthur Historic Site	Andrew Ross	Gold	2007
Port of Broome	Capt. Vic Justice	Platinum	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 Australia	David Anderson	Honorary	2005
Ports North	Karry Egerton	Platinum	1993
Royal Botanic Gardens	Robyn Merrett	Bronze	2008
Royal Caribbean International	Gavin Smith	Silver	2008
Sealink Travel Group and Captain Cook Cruises	Richard Doyle	Silver	2012
Skyrail Rainforest Cableway	Marni Barnett	Bronze	2011
Southern Cross Shipping	Jason Drury	Silver	2012
South Australian Tourism Commission	Leah Clarke	Platinum	1998
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	Chris Raley	Bronze	2005
Tourism Australia	Leigh Sorensen	Honorary	1993
Tourism NT	Lynne Hocking	Platinum	1998
Tourism Queensland	Denise Deveney	Platinum	1994
Tourism Tasmania	Rita Warrenner	Platinum	1998
Tourism Top End	Tony Clementson	Gold	2011
Tourism Tropical North Queensland	Brian Hennessy	Gold	2008
Tourism Victoria	Chris White	Platinum	1998
Tourism Western Australia	Rachel Telford	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 2011–12:

- AFT Tourism Marketing
- Captain Cook Cruises WA
- Chart Management Consultants
- Nationwide (Aust) Services Pty Ltd
- Sealink Travel and Captain Cook Cruises
- Skyrail Rainforest Cableway
- Southern Cross Shipping
- Tourism Top End.

The Management Committee accepted resignations from the following members during 2011–12:

- Albany Port Authority
- Sunlover Reef Cruises.



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 2011–12.

- Bob Wood Cruise Group
- Doyle Tourism Services Pty Ltd
- Fremantle Ports
- Port of Melbourne Corporation
- Newcastle Port Corporation
- South Australia Tourism Commission
- Tourism Australia
- Tourism Victoria





annual financial report for the year ended 30 June 2012

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Statement of Financial Performance

Year ended 30 June 2012

	Notes	2012 \$	2011 \$
Income from ordinary activities		448,646	379,089
Other expenses from ordinary activities		282,824	317,636
Profit from ordinary activities		165,822	61,453
Income tax relating to ordinary activities		0	0
Profit from ordinary activities		165,822	61,453
Net surplus attributable to members of CDU	5	165,822	61,453

Statement of Cash Flows

Year ended 30 June 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts			
Membership		82,206	85,712
Membership in advance		100,709	111,864
EMDG		49,607	27,500
Tourism Australia		35,000	20,682
Cruise Shipping Miami		20,513	18,612
Other (including interest)		144,002	153,135
GST receipts		31,173	35,123
ATO reimbursement		5,002	4,693
Total		468,212	457,321
Payments			
Administration		73,610	99,910
Marketing		269,466	227,118
GST payments		23,606	24,575
ATO payment		11,177	14,156
Total		377,859	365,759
Net Cash from Operating Activities		90,353	91,562
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		90,353	91,562
Add opening cash b/fwd		560,722	469,160
Closing Cash Carried Forward		651,075	560,722

Statement of Financial Position

As at 30 June 2012

	Notes	2012 \$	2011 \$
Current Assets			
Cash assets	4	651,074	560,722
Receivables – debtors		0	0
Prepayments		83,679	22,425
Total Current Assets		733,753	583,147
Non-current Assets			
Total Non-current Assets		0	0
Total Assets		733,753	583,147
Current Liabilities			
Payables		2,802	1,411
Subscriptions in advance		100,709	111,864
Other amounts received in advance		24,545	30,000
Total Current Liabilities		128,056	143,275
Non-current Liabilities			
Total Non-current Liabilities		0	0
Total Liabilities		128,056	143,275
Net Assets		605,697	439,875
Members Funds			
Retained surpluses	5	605,697	439,875
Total Members Funds		605,697	439,875

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 none 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

(a) Revenue from Operating Activities

	2012 (\$)	2011 (\$)
Revenue from members' subscriptions		
- Current year	82,206	87,223
- Previous year		
- Next year	100,709	111,864
TA-funded projects	35,000	20,682
EMDG proceeds from Austrade	49,607	27,500
Cruise Shipping Miami Convention		
- Reimbursements	20,513	18,612
Revenue from Services (include annual conferences)	141,328	151,624
Total Cash Revenue from Ordinary Activities	432,207	417,505
Cash revenue from operations	432,207	417,505
Less		
Subscriptions 2012–13 prepaid	(100,709)	111,864
Prepaid Conference Sponsorship	(24,545)	30,000
Plus		
Subscriptions 2011–12 received in 2010–11	111,864	79,430
Conference Sponsorship 2011–12 received in 2010–11	30,000	20,000
Conference delegate fees paid in advance	0	4,018
Cruise Shipping Miami (prepayment)	(82,679)	
INCOME FROM ORDINARY ACTIVITIES	365,968	379,089
(b) Reconciliation of Net Cash provided by operating activities to profit from ordinary activities		
Profit from ordinary activities after income tax	165,822	61,453
Changes in assets & liabilities		
Increase(decrease) in payments in advance	(60,254)	(9,389)
Increase (decrease) in subscriptions in Advance	(11,155)	32,434
Increase (decrease) in other amounts received in advance	(5,455)	5,982
Increase in payables	1,398	1,082
Net cash provided by operating activities	90,352	91,562
Cash at the beginning of the financial year	560,722	469,160
Cash at the end of the financial year	651,074	560,722

2. Revenue from Ordinary Activities (continued)

(c) Member's Subscriptions

For 2011–12 CDU has the following membership:

	No.	2012 (\$)	No.	2011 (\$)
Platinum	19	114,342	18	102,900
Gold	9	27,081	10	27,082
Silver	17	25,653	14	21,118
Bronze	22	17,886	19	14,645
Honorary	4		4	
Total	71	184,962	65	165,745

Membership received in advance for 2012/13 was \$100,709

(d) EMDG

A major source of income for 2011–12 was again the Export Marketing Development Grant available through Austrade. The CDU application was successful in obtaining \$49,607 with a commission of \$5,761 paid to consultants Stephen Hamilton and Associates.

(e) Revenue from Other Services

	2012 (\$)	2011 (\$)
Conference receipts (Newcastle)	91,995	98,297
Conference receipts (Hobart)	20,000	30,000
Newsletter sponsorship, other revenue	0	2,000
Interest	31,687	19,342
Venue hire and other income	320	3,497
Total	144,002	153,136

3. Expenses & Losses (Gains)

	2012 (\$)	2011 (\$)
(a) Expense		
Administration		
– Secretariat	73,069	116,082
Marketing		
– Newsletters/media	7,066	4,500
– Website	5,206	34,685
– EMDG	5,761	3,250
– Cruise Shipping Miami/cruise company calls	87,304	47,649
– Research project	13,576	25,089
– Guide/logo	6,130	6,824
– Cruise New Zealand	2,666	2,000
– Cruise industry	37,065	3,375
– 2010 & 2011 conference expenses	72,945	71,257
– Famils cruise industry	9,245	6,053
– Legal expenses	2,446	
– General	19,521	
Sub Total	343,075	204,692
<i>Plus / Less Prepayments (2012)</i>	82,679	(3,139)
Total	290,396	317,635
(b) General Manager Costs		
In 2011–12, CDU contracted the services of Abel Event Management to undertake the role of General Manager and received the following payments:		
Administration and marketing	79,992	78,600
Disbursements	10,463	7,609
Attendance Cruise Shipping Miami	11,408	11,033
Total	101,864	97,242
(c) Disbursements		
Expenses (other than labour and excluding GST) associated with operating the Secretariat for the twelve months (July 1 – June 30) are outlined below:		
Communications (phone, fax, email)	4,663	3,809
Office expenses (stationery, printing etc)	3,000	0
Miscellaneous (AGM speakers' expenses, reception expenses and part-time staff)	2,800	3,800
Total	10,463	7,609

3. Expenses & Losses (Gains) (continued)	2012	2011
	(\$)	(\$)
(d) Cruise Shipping Miami/Cruise Company Calls	2012	2011
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	27,511	30,054
Display costs	24,986	
General Manager's attendance and expenses	11,408	11,033
Chair's attendance and expenses	10,000	
Secretariat expenses	5,733	3,563
Brochure/marketing	7,665	3,000
Total	87,304	47,650
<i>Less Reimbursements</i>	20,513	18,612
Net cost	66,791	29,038
(e) Newsletter/Members Updates/Media Liaison		
The membership received internal and external newsletters (distributed to the cruise industry) in 2011–12.		
The costs associated with these amounted to:		
Media liaison	3,200	2,500
Newsletters	4,400	2,000
4. Reconciliation of Cash		
Cash at Bank	177,575	184,837
Cash on Deposit	470,825	375,886
Total	648,400	560,723
5. Retained Surplus (Members Funds)		
Profit (loss) from ordinary activities after income tax expense	130,322	61,453
Retained profits at the beginning of the financial year	439,875	378,422
Retained profits at the end of the financial year	570,207	439,875
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 Auditor Kevin Gumley Chartered Accountant, for audit for Financial Statements.	1,980	2,360
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 2012 and the financial position at 30 June 2012.

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 2012

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

ABSO 2.0 (29/06/12)

**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 2012, 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) 1984 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) 1984. 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 2012 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 7th Day of August 2012





ADELAIDE BATEMANS BAY BRISBANE BROOME BURNIE CAIRNS CHRISTMAS ISLAND DARWIN DEVONPORT EDEN FREMANTLE
GEELONG GERALDTON KANGAROO ISLAND HOBART INDONESIA LAUNCESTON MELBOURNE NEWCASTLE NEW CALEDONIA
PAPUA NEW GUINEA PORT ARTHUR PORT LINCOLN PORTLAND SYDNEY TOWNSVILLE PLUS SMALLER DESTINATIONS



**CRUISE
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your first port of call

**Marketing CDU cruise destinations and providers of
services to the cruise industry.**

For further information or advice we invite you to contact:

Jill Abel, General Manager

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CDU recognises and thanks all artists and photographers for supplying images.