

THE VALUE OF CRUISE TOURISM

ECONOMIC IMPACT ASSESSMENT OF CRUISE TOURISM IN AUSTRALIA, 2023-24

CRUISE LINES INTERNATIONAL ASSOCIATION AUSTRALASIA
AUSTRALIAN CRUISE ASSOCIATION

OCTOBER 2024



Cruise Lines International Association (CLIA) Australasia

Cruise Lines International Association (CLIA) is the world's global peak cruise industry association and is dedicated to the promotion and growth of the cruise industry. CLIA is composed of more than 50 of the world's major cruise lines and serves as a non-governmental consultative organisation to the International Maritime Organization (IMO), an agency of the United Nations.

CLIA's mission is to promote policies and practices that foster a safe, secure and healthy cruise ship environment; educate and train its more than 70,000 travel agent members; and promote and explain the value, desirability and affordability of a cruise holiday.

For more information, visit www.cruising.org.au

Australian Cruise Association (ACA)

Australian Cruise Association is a peak cruise industry association with the mission to realise the region's potential as one of the world's leading cruise destinations, advancing cruise as a sustainable and vital pillar of Australia's visitor economy.

Our organisation is made up of 93 members and represents regional ports, national and state tourism agencies, shipping agents, inbound tour operators and companies dedicated to making the Australian Cruise Association region a major world class base and destination for cruise vessels.

For more information, visit www.australiancruiseassociation.com

DOCUMENT CONTROL

Job ID:	J0002826
Job Name:	Economic Impact of Cruise Tourism in Australia, 2023-24
Client:	Cruise Lines International Association (CLIA) Australasia
Client Contact:	Joel Katz
Project Manager:	Simon Smith
Email:	simon.smith@aecgrouppltd.com
Telephone:	0419 664 774
Document Name:	CLIA AUS Cruise EIA 2023-24 D05.docx
Last Saved:	21/10/2024 1:53 PM

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EXECUTIVE SUMMARY

PURPOSE OF THE STUDY

This study has been jointly commissioned by Cruise Lines International Association (CLIA) Australasia in collaboration with Australian Cruise Association (ACA). It represents an economic impact assessment of cruise tourism in Australia for the 2023-24 season (financial year).

ECONOMIC IMPACT OF CRUISE TOURISM IN AUSTRALIA 2023-24

The 2023-24 Economic Impact Assessment of Cruise Tourism in Australia highlights substantial growth in the industry as it continues to recover post-pandemic. This report presents an in-depth analysis of the national and state-level economic contributions of cruise tourism. The cruise sector generated substantial economic value, significantly contributing to employment, wages, and overall economic output.

Table E.1 National economic impacts of cruise tourism

Impact	2022-23	2023-24	Change	
			Level	%
Output (\$M)				
Direct	\$2,497.7	\$3,382.9	\$885.2	35.4%
Indirect & Induced	\$3,136.9	\$5,050.2	\$1,913.3	61.0%
Total	\$5,634.6	\$8,433.1	\$2,798.5	49.7%
Wages Income (\$M)				
Direct	\$941.3	\$1,309.4	\$368.1	39.1%
Indirect & Induced	\$877.7	\$1,524.2	\$646.5	73.7%
Total	\$1,819.0	\$2,833.6	\$1,014.6	55.8%
Employment (FTEs)				
Direct	9,869	13,530	3,661	37.1%
Indirect & Induced	8,356	12,840	4,484	53.7%
Total	18,225	26,370	8,145	44.7%
Value Added (\$M)				
Direct	\$1,315.7	\$1,700.9	\$385.2	29.3%
Indirect & Induced	\$1,622.5	\$2,577.4	\$954.9	58.9%
Total	\$2,938.2	\$4,278.4	\$1,340.2	45.6%

Source: AEC (2023), AEC

National Economic Impact

- The total economic output from cruise tourism in 2023-24 reached \$8.4 billion, up from \$5.6 billion in 2022-23, representing a significant 49.7% increase. This growth reflects a strong resurgence of cruise activity, driving increases in passenger and crew expenditures as well as cruise line spending.
- Direct wages income rose by 39.1%, from \$941.3 million to \$1.3 billion, while overall supported employment grew by 44.7%, from 18,225 full-time equivalent (FTE) positions to 26,370 FTEs.
- The total value-added impact increased from \$2.9 billion to \$4.3 billion, marking a 45.6% growth.

Table E.2 Australian cruise tourism statistics

Statistic	2022-23	2023-24	Change	
			Level	%
Australian ports/destinations visited	62	49	-13	-21.0%
Visiting Cruise Ship Characteristics				
Number	59	75	16	27.1%
Pax Capacity	70,290	88,454	18,164	25.8%
Crew Capacity	31,434	40,829	9,395	29.9%
Cruise Ship Visits				
Turnaround	606	816	210	34.7%
Transit	964	834	-130	-13.5%
Total	1,570	1,650	80	5.1%
Cruise Ship Visit Days				
Turnaround	672	897	225	33.5%
Transit	994	851	-143	-14.4%
Total	1,666	1,748	82	4.9%
Passenger & Crew Visit Days at Port				
Turnaround Pax	2,223,969	3,001,721	777,752	35.0%
Transit Pax	1,128,833	1,253,718	124,885	11.1%
<i>Total Pax Visit Days</i>	<i>3,352,802</i>	<i>4,255,439</i>	<i>902,637</i>	<i>26.9%</i>
Crew	380,744	437,653	56,909	14.9%
Total	3,733,546	4,693,092	959,546	25.7%
Direct Expenditure (\$M)				
Turnaround Pax	\$1,247.7	\$1,662.1	\$414.4	33.2%
Transit Pax	\$246.6	\$275.0	\$28.4	11.5%
<i>Total Pax</i>	<i>\$1,494.3</i>	<i>\$1,937.1</i>	<i>\$442.8</i>	<i>29.6%</i>
Crew	\$52.0	\$60.4	\$8.3	16.0%
Cruise Lines	\$1,173.0	\$1,594.0	\$421.0	35.9%
Total	\$2,719.3	\$3,591.5	\$872.2	32.1%

Source: AEC (2023), AEC

Growth in Cruise Activity

- The number of cruise ships visiting Australian ports grew by 27.1%, with a total of 75 ships in operation. Passenger capacity rose by 25.8% to 88,454, while crew capacity increased by 29.9% to 40,829.
- Turnaround visits, which are economically more impactful, increased by 34.7%, leading to a 35.0% rise in passenger visit days. Total passenger and crew visit days at ports grew by 25.7%, reaching 4.7 million.

Expenditure Increases

- Direct expenditure by passengers and crew rose to \$2.0 billion (+29.6% from the previous year), further boosting local economies.
- Cruise line expenditures grew significantly, increasing by 35.9% to \$1.6 billion, highlighting significantly higher costs in fuel and port charges, and increased operational expenses from increased ship activity and enhanced offerings.

State-Specific Impacts

The economic impact of cruise tourism varied across Australian states, with New South Wales and Queensland leading in total output:

- **New South Wales** saw exceptional growth in cruise tourism, with total economic output reaching \$4.4 billion, a 60.4% increase from the previous year. The state supported 13,714 jobs, making it the largest contributor to Australia's cruise economy. Sydney, as the primary turnaround port, drove much of this growth with increased cruise ship visits, particularly high-value turnaround stops.
- **Queensland** also experienced significant growth, with total economic output increasing to \$2.4 billion, an increase of 43.1%. The state supported 7,733 jobs, largely driven by the ports of Brisbane and Airlie Beach, which saw increased passenger and crew visit days. Queensland also remains a crucial hub for cruises servicing the South Pacific and Papua New Guinea regions.
- **Victoria's** cruise industry continued to expand, with a total economic output of \$637 million, driven by more cruise ship visits across the state. This growth supported 1,892 jobs. Key contributors included Melbourne, Geelong, Phillip Island, and Portland, with Melbourne a key turnaround port for new market entrants over the 23/24 season.
- In **South Australia**, cruise tourism generated \$227 million in total output and supported 738 jobs. The state benefited from steady cruise ship visits to Adelaide and Kangaroo Island, contributing to its economic impact.
- **Western Australia** saw moderate growth, with total economic output reaching \$385 million and supporting 1,211 jobs. Key ports like Fremantle and Broome played a significant role in driving this increase.
- **Tasmania** experienced strong growth in cruise tourism, with total economic output rising to \$176 million and supporting 542 jobs. Hobart was the state's leading port, with significant passenger and crew visit days contributing to the economic benefits.
- The **Northern Territory** generated \$181 million in total output and supported 527 jobs, with Darwin serving as the primary port for cruise ship activity.
- **Norfolk Island** saw modest economic activity from cruise tourism, with total output of \$4 million, supporting 13 jobs. Though small, these figures represent an important contribution to the island's economy.

Methodological Updates

The 2023-24 report incorporates updated 2021-22 ABS input-output tables, which reflect changes in industry structure and productivity post-pandemic. Additionally, expanded data collection through new passenger and crew expenditure surveys, particularly in Tasmania, has improved the accuracy and reliability of the economic impact estimates.

Trends and Future Prospects

The cruise industry in Australia has demonstrated strong resilience and recovery post pandemic, marked by substantial growth in economic output, employment, and cruise line investments. However, this optimism is tempered by the high-cost nature and uncertain regulatory environment compared to other global cruise regions, posing potential risks to maintaining Australia's competitive position.

Conclusion

The 2023-24 Economic Impact of cruise Tourism in Australia highlights the critical role of cruise tourism in Australia's visitor economy, showcasing significant contributions at both national and state levels. As the industry continues to navigate post-pandemic recovery, addressing cost and regulatory challenges will be essential to sustaining growth and securing Australia's standing as a premier cruise destination.