

October 2018



# Tasmanian Cruise Market Update and Regional Ports Review 2017-18

[ Access Working Group ]



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## Executive Summary

Cruise visitation in Tasmania has increased significantly in the past two years as the state's appeal continues to resonate with domestic and international travellers. Between 2012 and 2015, the number of cruise ship visits to Tasmania hovered at around 60 visits each year. Since then, the state has experienced rapid growth with 125 visits in 2017-18. The direct expenditure of cruise passengers and crew in Tasmania is estimated to be \$34.5 million in 2017-18. While growth in cruise shipping to Tasmania is expected to continue it is not anticipated to be at levels of 30 to 45 per cent per annum that the sector has experienced over the past three years. There is, however, a need to identify opportunities for appropriate cruise shipping in Tasmania.

This research paper examines market demand globally, what this means for cruise shipping in Tasmania and how Tasmania can optimise the benefits of participation in cruise tourism through both large and small cruise ships, as well as expedition vessels and sub Antarctic and Antarctic cruising.

Part 2 includes a review of each Tasmanian port or anchorage to assess the suitability and economic potential for cruise ship visits at each destination. It seeks to recommend the types of cruise ship vessels each port or anchorage can accommodate, informed by industry consultation in each destination.

In summary, this review found that:

- The main ports of Hobart, Burnie and the anchorage of Port Arthur can continue to efficiently manage growth of large cruise ships and mega ships.
- Expedition vessels and small cruise ships are an ideal fit for Tasmania's shore products, destination capability and brand.
- Wineglass Bay is unsuitable for cruise ship visits due to the impact on Freycinet National Park and its visitors.

- Yield and shore tour dispersal strategies are priorities for each of the state's main ports.
- There is potential for a fourth main port to be developed at Beauty Point.

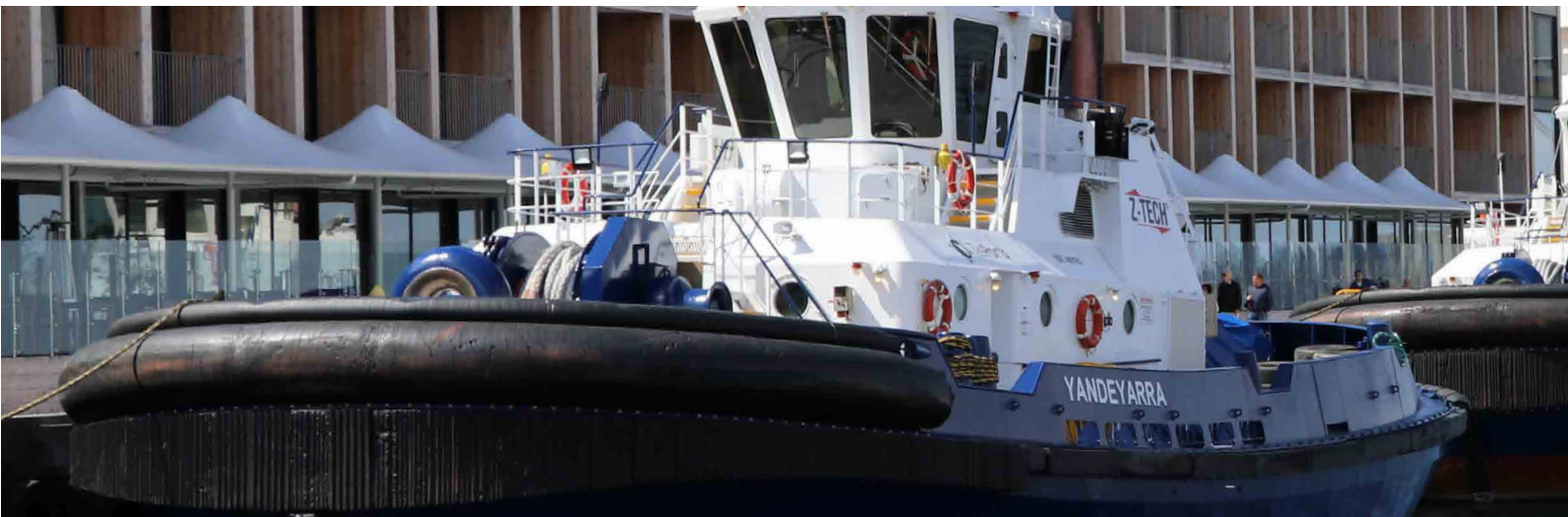
Significant opportunities have also been identified at both a state and individual port level to ensure cruise ship passengers travel further when they are in Tasmania and invest in local communities.

These include:

- Developing partial turn arounds of cruise ships in Hobart, enabling cruise visitors to spend time in Tasmania before or after their cruise.
- Increasing the number of ports included on itineraries; appropriate to size and capability.
- Developing longer, higher value shore tours, to increase dispersal and yield, and attract more boutique international vessels.
- Developing provedore supply solutions by increasing the amount of speciality Tasmanian product on board through partnerships with local suppliers.

Overall, growth strategies for cruise visitation are found to be appropriate for every port and anchorage in Tasmania with the exception of Wineglass Bay where industry stakeholder sentiment supported the view that large cruise ship operations and landings should be restricted in future. Tourism Tasmania and the Parks and Wildlife Service are communicating with cruise operators in regard to new cruise ship bookings with itineraries not already in market.

The report's findings have been considered by the state's T21 Steering Committee and the Premier's Visitor Economy Advisory Council. The cruise objectives and strategies of the state's Access 2020 strategy have been updated to appropriately reflect the outcomes of this review.



# Introduction

## Aim of the review

The Access Working Group undertook this review to inform future policy and activity by the Tasmanian Government and cruise and tourism industry stakeholders. The review will also help inform Tasmania's cruise destinations to deliver quality experiences to passengers and maximise economic benefit to their communities while maintaining amenity for other visitors and residents.

## Project scope and methodology

The review included a desk-top analysis of cruise demand, trends and forecasts, as well as a consultative examination of Tasmania's cruise destinations, considering costs, benefits, opportunities and risks of cruise shipping in Tasmania. It was acknowledged this may differ from place to place and therefore a detailed analysis of each potential port and anchorage was undertaken.

Detailed and extensive consultation was undertaken with key business, industry and government representatives and stakeholders in each destination to identify issues and opportunities associated with the capacity and capability to cater to the growing demand for cruising.

This review is focussed on the next two to three years. The cruise industry is highly dynamic and cruise vessel deployment is sensitive to the changing global environment so port bookings are generally made no more than two years in advance. It is therefore not possible to forecast beyond the next two to three years, except in the sense of broad consumer trends.

A Tasmanian cruise passenger survey was conducted over the 2016-17 season, providing insights into passenger demographics, spend, touring and activity behaviour, booking channels, social media use and visitor propensity to return. These insights also informed this review. For a summary of the survey results see Appendix 1.

## Objectives

The objectives of the review are;

- To assess Tasmanian cruise destinations for their suitability, capability and yield capacity for small and large cruise ship visits.
- To provide information on future trends of cruise ships and analyse how Tasmania can optimise the benefits of participation in cruise tourism with both large and small cruise ships, expedition cruise, including the potential of home porting.
- To examine the impacts of cruise ship tourism on Tasmania's regional ports and anchorages.



## Part I: Market Overview

### Global cruise industry growth

The cruise sector has proven to be a resilient global growth industry.

The Cruise Lines International Association (CLIA) report continuing steady growth of cruise shipping world-wide at around four per cent a year; with 27 million passengers expected to cruise in 2018.

This growth is expected to reach 28 million passengers in 2020 and 33 million passengers in 2025.

CLIA report that the global industry has an estimated \$126 billion total economic output worldwide in 2018, providing for 1 million direct jobs.

### Cruise line segments

A cruise ship is defined as a commercial vessel carrying more than 100 passengers. Vessels that carry less than 100 passengers are usually deemed to be tourism operators or they may be private vessels such as super yachts which can be quite large but typically carry less than 20 passengers. Cruise shipping in Tasmania includes four relevant cruise ship segments:

#### Expedition vessels

Adventure and expedition cruise ships are characterised by smaller vessels, usually under 100 passengers. These smaller vessels are able to access more remote destinations, generally require less infrastructure and have lower impacts. Expedition and adventure cruises are often high yield, nature based, destination focused and carry highly educated affluent travellers. Both international and Australian expedition vessels operate in Tasmania but only Coral Expeditions, an Australian operator has a seasonal base in Tasmania.

#### Expedition vessels visiting Tasmania:

*Coral Expeditions and Noble Caledonia*

#### Small luxury ‘boutique’ vessels

These are small cruise ships of up to 1 000 passengers. The product offer is targeted at quality provision of services and experience with corresponding levels of service required for shore facilities. This product is targeted at the high yield end of the market with passengers who are likely to consider return visits to destinations included in the cruise schedule.

#### Boutique vessels visiting Tasmania:

*Silversea, Crystal Cruises, Europa, Azamara, Oceania, Seabourn, Ponant, Viking*

#### Mid-large vessels

Large and mid-size cruise vessels typically carry between 1 800 – 2 800 passengers but vary greatly in terms of passenger demographics and branding. They can be further split into contemporary and premium class as well as domestic and international based vessels. Cunard operate luxury vessels in this class. These vessels have greater port infrastructure demands, requiring greater channel depths and generally require wharf berthing. Their size generates demand for a range of shore tours and facilities. In Australia, Carnival brands are dominant (Carnival, P&O, Princess and Holland America). Norwegian Cruise Line entered the Australian market in 2015, and Royal Caribbean Line regularly bring international vessels of this class.

#### Mid-Large vessels visiting Tasmania:

*P&O, Carnival Australia, Princess Cruises, Holland America Line, Celebrity Cruises, Norwegian Cruise Line and Cunard*

## Mega ships

Mega cruise ships are vessels that carry over 3 000 passengers. These are among the largest cruise vessels and have significant port infrastructure requirements including greater channel depth, longer wharves for side berthing, air space under bridges, high quality terminal facilities with baggage handling and international passenger processing facilities. These vessels generally limit visits to major capital cities or tourist destination centres. Hobart has one of the deepest harbours in Australia and can handle the biggest mega ships. Ovation of the Seas is the largest cruise ship to visit Tasmania carrying 4 900 passengers.

### Mega ships visiting Tasmania:

*Royal Caribbean and Princess Cruises*

## Cruise consumer segments

Cruise market travellers can be segmented into several groups based on characteristics such as, income, age, family status, working status, education, interests and travel expectations. There are several different motivational groups that cruise to Tasmania.

The cruise enthusiasts, busy families, relaxers and new horizons are target audiences identified by the AEC Group Pty Ltd for the cruise sector.

For more detailed information on cruise passenger segments see Appendix 2

## Global deployments and orders

The cruise industry has proven particularly resilient through financial downturns. The major cruise lines have suggested this is due to the mix of attractiveness and affordability of their product and increasing capacity to maintain pricing levels, while introducing new ship features.

To meet this demand the cruise industry has an unprecedented level of ocean going ship orders.

At July 2017 there were 79 firm orders with a total value of \$47.6 billion<sup>1</sup> representing an additional 250 000 berths in the 10 years to 2025 an increase in global cruise ship capacity of 40 per cent.

10 new ships were christened in 2016 and another 75 will enter market by 2023, these include;

- 11 ships entering market in 2017
- 15 in 2018
- 19 in 2019
- 14 in 2020
- 24 on order 2020-2025

Of these, 38 are contemporary large ships, 26 are large premium end ships and 19 are luxury class.

Larger ships return a higher profitability per passenger, due to new technologies including more environmental features, such as LNG gas engines and more efficiency gains that lower costs. The three largest companies (Carnival Corporation, Royal Caribbean Cruises and Norwegian Cruise Line Holdings) all posted record profits in 2016-17, attributed in part to higher profitability from mega ships and new ship assets producing greater efficiencies and lower cost per passenger.

There are three types of ships that represent the vast majority of new ship orders; mega ships for mass market (4 000-5 000 pax), luxury and upper premium ships (up to 1 000 pax) and smaller ships dedicated to adventure and expedition cruising.

## Global trends

Global cruise industry trends include;

- Mega ships keep getting bigger.
- More overnight stays in port are being offered on itineraries.
- Emphasis on more choice on board, particularly dining, entertainment and on board activities.
- More flexible consumer choice for food, activities, itineraries, and destinations.
- Millennials and Gen X are rapidly growing markets.
- Destinations continue to be a key driver of choice, including in Tasmania where the destination's appeal is a key factor in growth.
- Luxury cruises on more adventurous itineraries with less passengers, is a fast-growing market segment, commanding higher prices than either standard luxury cruises or more basic expedition vessels. These cruises are potentially the best destination fit for many of the Tasmania ports and anchorages.
- Luxury trends are; more small ships, concierge, exclusive tours, gourmet dining, personal, precise and exclusive.
- Small luxury ships seek unique destinations and targeted customer experiences.
- There is growing demand for expedition and adventure cruises from an adventure driven market.
- Use of travel agents for cruise bookings continues to be high compared to overall holiday bookings.
- More private islands are being included on cruise itineraries.
- Many ships now feature restaurants and dishes created by celebrity chefs.
- Brands like Disney, Lego, Nickelodeon, Starbucks, and Oprah are partnering with cruise ships for themed dinners, shows, coffee shops, burger bars and playgrounds.
- Intergenerational cruising continues to grow and more ships are being designed to appeal to all demographics from toddlers to grandparents.

<sup>1</sup> Seatrade White Paper on the Future of Cruise Ships – July 2017

## Australian Cruise Industry

North America remains the dominant global market, but Australia is growing more rapidly. Australia is the only market globally to reach five per cent penetration, meaning five per cent of the population take a cruise each year. Other markets of Asia and Europe average around two to three per cent and the US market has a 3.7 per cent market penetration result.

The Australian Cruise Association<sup>2</sup> report that in 2016-17 the number of ships deployed in Australia also grew by around 20 per cent to 52 ships staying 1 209 port days. Tasmania's market share of port calls in 2016-17 was 7.6 per cent up from 5.5 per cent the previous year.

Overall cruise shipping contributed \$2.36 billion dollars in 2016-17 to the Australian visitor economy, circa \$1.15 billion was direct passenger expenditure.

Cruise in Australia has been estimated to grow at 14 -18 per cent per annum to 2020. The cruise industry target is 15 per cent market penetration, similar to the state of Florida where the cruise industry is largely home ported.

It is expected that two million Australians per year will be cruising by 2020. The Chinese fly-in cruise market in Australia is growing quicker than expected and looking for short cruise itineraries such as Sydney – Eden – Hobart – Sydney.

There has been significant growth in Australian cruise shipping in the last 10 years:

- The number of Australian ports/destinations visited has more than doubled from 16 to 42.
- The number of cruise ships visiting has doubled from 26 to 52.
- The number of cruise ship port calls has grown from 325 to 1209.
- Total passenger days in port has grown from 366 322 to 2.985 million.
- Estimated passenger expenditure has increased twelve-fold to reach \$1.149 billion.

### 2016/17 Australian Cruise Industry Statistics<sup>2</sup>

Australian ports/destinations visited	42	Home port passenger days	1 851 266
Number of ships	52	Transit port passenger days	1 134 170
Passenger capacity	79 022	Crew Days	416 786
Number of crew	33 445	Home port passenger direct spend (\$M)	\$976
Home Port days	588	Transit port passenger direct spend (\$M)	\$174
Transit Port visits	716	Crew spend (\$M)	\$40
Cruise line spend Australia (\$M)			\$1 470
<b>Total reported contribution to Australia</b>			<b>\$2 659 000</b>

## New cruise developments

- Golden Princess will transfer from Princess Cruises to P&O Australia in 2020, increasing Carnival Corporation's Australian operation to two ships full time from 2020.
- Princess Cruises announced that the Majestic Princess will be based in Sydney over the 2018-19 season.
- Norwegian Jewel has been confirmed for a second season in Australia over the 2018-19 season.
- Norwegian Jade will also be based in Australia for the 2019-20 season.
- Pacific Eden will trial partial ship turnarounds at the Townsville Port in 2018.
- P&O Australia have sold Pacific Eden to Cruise and Maritime Voyages who will refurbish and operate the vessel from April 2019.
- Viking Ocean Cruises will enter Australia in 2018.
- Cunard has announced that it will base Queen Elizabeth in Australia for an unprecedented 101 days over the 2019-20 Australian cruise season. Queen Elizabeth will sail on six roundtrip cruises from Melbourne and two from Sydney between December 2019 and March 2020. On her sailings, Queen Elizabeth will call into South Australia, Tasmania, New Zealand and Papua New Guinea.
- Coral Expeditions 120 passenger ship Coral Adventurer will debut in April 2019.

## Australian trends

Cruise industry trends in Australia include:

- Growth is estimated at 14-18 per cent each year to 2020 – CLIA have a target of two million Australians cruising by 2020.
- Around 250 000 international travellers arrive in Australia each year either by cruise or to join a cruise.
- On average international visitors cruising in Tasmania spend four additional nights in Australia. Cruise tour operators report seeing an increase in these visitors travelling for a week prior to joining a cruise.
- Visitor demand for Tasmania is being combined with demand for cruise.
- Three out of five Australian travellers consider cruising a good way to sample a destination, half of those who cruise actually return and two fifths extend their stay at the beginning or end.
- New passengers are taking to the sea, including Millennials and Generation X.
- Demand for expedition cruises is growing globally and in Australia.
- Contemporary and premium cruise lines are building larger ships.
- Cruise is changing the face of luxury; *Ritz Carlton is building three ships, Virgin Voyages, Viking, Sailogy (Uber of Yachts) and Crystal Cruises are examples of luxury sea and air combined.*



## Cruise port developments

Sydney is the main home port and most visited cruise port in Australia with more than 400 port calls per year. Including Sydney on Australian itineraries is seen as critical to cruise line planners, but the Overseas Passenger Terminal has reached its workable capacity and growth is currently constrained. The NSW Government has assigned a taskforce to develop a solution to the constraint, but it is likely any solution is at least five years away.

There are several large-scale cruise ship port infrastructure developments happening in Australia to cater for the growth and attract further cruise ship activity. These include:

- The port of Brisbane is set to commence construction of a new \$100 million cruise terminal at Luggage Point to cater for mega ships from mid-2019.
- Ports North is undertaking a \$120 million expansion of cruise shipping facilities at Cairns, including channel widening, swing basin work and \$30 million for cruise wharf upgrades to take ships up to 300 metres long.

With cruise congestion in Sydney unlikely to ease in the next five years, it is forecast that some ships will choose to home port in Brisbane. Cairns is expecting its investment to assist in generating growth of up to 70 additional port calls per year.

Other port developments include;

- Development of a \$12.7 million multipurpose cruise terminal in Newcastle, expected to open in 2018.
- A \$7 million dredging project at Broome which will enable 24-hour access for cruise ships from 2018.
- Port of Eden is undertaking a \$44 million wharf upgrade targeted at increasing cruise ship visits from mid-2019.

## Tasmanian Cruise Industry

The main Tasmanian cruise ship ports are Hobart, Burnie and the anchorage of Port Arthur. Each year a small number of vessels call in at Wineglass Bay for sightseeing. Expedition cruise vessels have also recently visited Flinders Island, Beauty Point, King Island, Adventure Bay, Maria Island and Port Davey.

## Market size and growth projections

Cruise shipping is an important part of the Tasmanian visitor economy and is experiencing significant levels of growth. From 2012 to 2015, cruise ship visitation to Tasmania hovered at around 57-60 visits a year, but since that time there has been rapid growth.

Access 2020, Tasmania's five-year air and sea access strategy was released in 2015, with four growth-based strategies for cruise shipping.

1. *Grow tourism revenue from the cruise sector through longer stays, more frequent berthing of large ships, overnight stays and provisioning of vessels in Tasmania.*
2. *In partnership with TasPorts, grow the number of large cruise ship visits to regional ports, particularly Burnie.*
3. *In partnership with TasPorts and Hobart City Council, evaluate and prepare a business case to use Hobart as a base port, including provisioning the vessels and embark/disembark passenger processing.*
4. *Work with the higher yielding, smaller expedition ship cruise operators to develop Tasmanian itineraries and grow the market.*

These growth strategies, supported by incentive pricing structures for Tasmanian ports and combined with Tasmania's growing appeal as a visitor destination and the strength of cruise shipping in Australia generally has produced enormous increases in the number of cruise port calls around Tasmania.





Tasmania has other natural advantages such as;

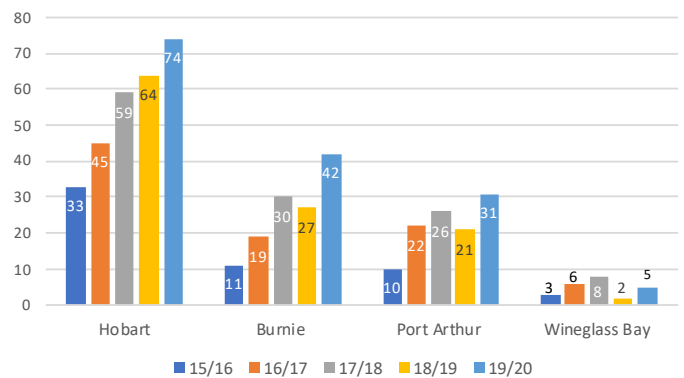
- Geographic proximity to Sydney and Melbourne and for international itineraries between New Zealand and Australia.
- Within Tasmania, ports are close together but offer regional differences, providing ability to include a number of port calls in a short itinerary.
- Hobart offers one of Australia's deepest harbours, within walking distance to the city and provides an attractive Antarctic gateway.
- A strong and vibrant tourism industry willing to work with cruise lines.

Cruise ship visits to Tasmania has grown in recent years across all of Tasmania's three main ports and anchorages of Hobart, Burnie and Port Arthur. The number of port days that cruise visitors are spending in Tasmania has nearly doubled in the past two seasons creating greater opportunities for the state to benefit from cruise tourism.

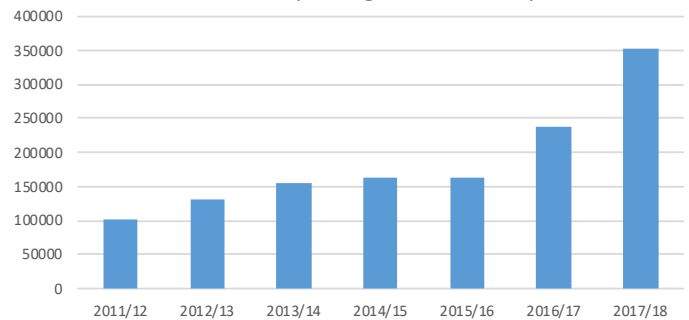
The cruise season operates largely between October to May, in 2016-17 there were 92 port calls and 179 013 cruise ship visitor days (number of passengers multiplied by the number of ports stopped) and in the 2017-18 season there were 125 port calls and 346,236 cruise ship visitor days in the state.

There are 115 port call bookings confirmed for 2018-19 and 153 port call bookings confirmed for 2019-20 (as at September 2018). Bookings for the next two years are still being taken with numbers likely to change.

Cruise ship port call bookings



Cruise passenger and crew days



## Arriving ship segmentation

Of the 125 port calls for 2017-18, Carnival Corporation was responsible for 90 calls. This was across its brands Carnival Australia, P&O, Princess Cruises and Holland America Line. Carnival ships visited Hobart, Burnie and Port Arthur.

The boutique small ship luxury market is building with 21 calls in this class in 2017-18. These vessels have the highest yield per passenger, carry more international passengers and generally have a greater uptake of shore tours. Burnie is very strong in this market and the product fits well with Tasmania's destination offering of small-scale tourism experiences, making this the key target segment for cruise shipping growth in Tasmania.

### Tasmanian Port Calls 2017-18

Port	Mega ships 3000+ Passengers	Large 1000-3000 passengers	Small luxury Under 1000 Passengers	Total Visits
Hobart	6	46	7	59
Burnie		20	10	30
Port Arthur		25	1	26
Wineglass Bay		7	1 (+Beauty Point & King Island)	8
	<b>6</b>	<b>98</b>	<b>21</b>	<b>125</b>

For a full list of arriving vessels see Appendix 3

Expedition vessels are not included in these port numbers. Coral Expeditions is the only regular expedition vessel operating in Tasmania and is not included above. It is currently operating an eight departure season of seven-night Tasmanian itineraries visiting Hobart, Wineglass Bay, Maria Island, Port Arthur, Adventure Bay and Port Davey/Bathurst Harbour. Coral Expeditions also operated two themed cruises in 2017-18, a Sydney-Hobart cruise following the yacht race and a Tasmanian Walking Cruise.

## New cruise developments for Tasmania

- Ovation of the Seas, Royal Caribbean's newest ship became the largest cruise vessel in Australian waters over the 2016-17 cruise season, with 4 900 passengers on board. Ovation visited Tasmania four times in 2016-17 and three times in 2017-18.
- In June 2017, Pacific Explorer became the newest vessel in the P&O Australia fleet carrying 2 000 passengers. Pacific Explorer is oriented to relaxed family cruising with lots of kids facilities, waterslides, explorers club etc. Pacific Explorer visited Hobart twice in 2017-18.

- Norwegian Star (Norwegian Cruise Line Holdings) carrying 2 348 passengers commenced visits to Tasmania in 2016-17. This was followed by Norwegian Jewel with 2 376 passengers commencing visits in 2017-18. This is part of Norwegian's push into Australia.
- Rapidly expanding luxury line Crystal Cruises returned to Tasmania in 2017-18 with Crystal Symphony and will make a maiden call with Crystal Serenity in 2018-19.
- Carnival's Luxury small ship brand Seabourn is also returning to Tasmania with the 400 passenger Seabourn Sojourn visiting in 2018-19 and the 600 passenger Seabourn Encore making her maiden call in 2019-20.
- Small ship line Viking Ocean Cruises is also debuting in Australia in 2018-19 with both Viking Orion and Viking Sun set to visit Tasmania that year.
- Ponant will return in 2019 with its brand new ship Le Laperouse.
- Princess Cruises' new Australian based vessel Majestic Princess will begin to visit Tasmania from 2018.
- MSC, a major Mediterranean cruise line, will visit Tasmania for the first time in 2019-20 with the 2 500 passenger MSC Magnifica.

## Arriving passengers

The Tasmanian Cruise Passenger Survey of 2016-17 found that while there was a near even split of international and Australian passengers, this varied greatly by port. Burnie hosted the highest percentage (73.5 per cent) of international passengers, whilst Port Arthur hosted 89.1 per cent Australian passengers.

	Total Passengers	Burnie %	Hobart %	Port Arthur %
Australian Passengers	49.6	26.5	37.8	89.1
International Passengers	50.4	73.5	62.2	10.9

The average age of cruise passengers visiting Tasmania was 59 years. The average age of operating crews was 34 years. The average age of international passengers was 62 years, with 85 per cent aged 50 years and over. While the average age of Australian passengers was 55 years, with 34 per cent being aged under 50 years.

The majority (66 per cent) of Australian passengers visiting Hobart were from NSW. 80 per cent of Australian passengers at Port Arthur came from NSW and Victoria.

Almost 68 per cent of passengers and 44 per cent of crew members were visiting Tasmania for the first time. This percentage was higher for passengers at Burnie (71 per cent) and Hobart (76 per cent).

Around 50 per cent of passengers surveyed at Port Arthur were on their first visit to Tasmania.

## Cruise visitor expenditure

The economic contribution of cruise visitors in Tasmania is estimated at \$25.7 million in direct expenditure by passengers and crew for the 2016-17 season and \$34.5 million in 2017-18.

Passengers spend on items such as food, retail, tours, entertainment, and transport.

Average passenger spend varied across the three ports.

Segment	Average Spend
Burnie Passengers	\$138.14
Hobart Passengers	\$172.30
Port Arthur Passengers	\$106.07
Domestic Passengers	\$116.83
International Passengers	\$163.57
TOTAL Passengers	\$140.40
TOTAL Crew	\$41.59

Source; *Tasmanian Cruise Passenger Survey 2016-17*

On average, international passengers spent \$164 per person per port call whereas domestic passengers spent on average \$116.

The variations in spend numbers should be factored against time in port, availability of shopping and the nature of the range of shore excursion activities.

## Shore tours

Overall, 43 per cent of passengers took an organised shore tour. This average was higher for international passengers and varied between each port.

Burnie had the highest take-up of shore tours at 60 per cent, in line with Burnie receiving the highest share of international cruise passengers and boutique ships.

In Hobart, 44 per cent of passengers took an organised shore tour. The Port Arthur survey indicates that 29 per cent of passengers took a shore tour outside the historic site.

There is opportunity to increase yield through shore tours and experiences by offering more inclusions, longer tours, more exclusive touring, new itineraries and products, increasing the percentage of passengers who take a tour and better matching the offered experiences with the market demand by recognising the different passenger profiles of different ships.

Tourism Tasmania repeated the successful Tassie Cruise Exchange in 2018 providing tourism operators with a chance to talk to shore excursion managers and cruise lines one on one about their shore tour products.

## Tasmanian cruise industry stakeholders

There is widespread involvement in cruise shipping in Tasmania, including;

- **Ports and maritime:** TasPorts/MAST.
- **Port and ship service providers:** shipping agents, ship provisioners, engineers, maintenance and emergency repairs.
- **Onshore activities:** shore excursion ground handlers, tour operators, attractions, hospitality providers, transports operators, accommodation, airport, guides, retail outlets.
- **Travel agents:** selling cruise products to Tasmanians and visitors.
- **Government and not for profit:** Regional tourism organisations (RTOs), Councils, Tasmanian Visitor Information Network (TVIN), Tasmania Parks and Wildlife Service, Tourism Tasmania, Biosecurity, Customs and Quarantine.

A cruise subcommittee of the Access Working Group works on cruise outcomes all year round and coordinates activity to meet the needs of Tasmanian cruise industry stakeholders and improve cruise customer's experiences of Tasmania.

This group monitors annual progress and disseminates the relevant information through the RTOs to tourism operators.



Hellyers Road Distillery © Graham Freeman



## Roles in cruise ship management in Tasmania

Role	Stakeholder
Strategic oversight	Access Working Group – reporting to the T2I Steering Committee and the Premier's Visitor Economy Advisory Council
Key cruise line relationships <ul style="list-style-type: none"> <li>• Developing cruise itineraries</li> <li>• Senior cruise industry relationships (Seatrade &amp; Local)</li> </ul>	Tourism Tasmania/ TasPorts
Tourism Industry training and development. <ul style="list-style-type: none"> <li>• Developing the knowledge of Tourism operators dealing with cruise ship visits.</li> <li>• Development of product.</li> </ul>	Regional tourism organisations
Local coordination for planning of operations – a key role particularly for the outports. Acts as a central communications point for the destination with the shore excursion operator/cruise line & TasPorts.	Regional tourism organisations
Facilitating industry connections to Shore Excursion operators. Distribution/ Famils /Tassie Cruise Exchange.	Tourism Tasmania
Research data <ul style="list-style-type: none"> <li>• Continuity of tri-annual cruise survey.</li> <li>• ACA membership provides access to national and global cruise data.</li> </ul>	Tourism Tasmania with the Australian Cruise Association (ACA)
Prepare and distribute industry research and develop Tasmanian relationships with cruise companies. Understand forward cruise line strategies, vessels, deployment, needs etc. Develop strategies to facilitate infrastructure requirements.	Tourism Tasmania & TasPorts in partnership.
Operational roles <ol style="list-style-type: none"> <li>1. Ports and maritime</li> <li>2. Shore tour operations</li> <li>3. Independent tour operators</li> <li>4. Visitor information and independent passengers</li> <li>5. Ship greetings and independent passenger movements (shuttle buses, safe walkways etc)</li> </ol>	<ol style="list-style-type: none"> <li>1. TasPorts, MAST</li> <li>2. Shore Excursion Operator (appointed by ship)</li> <li>3. Coordination by RTOs</li> <li>4. Tasmanian Visitor Information Centres / Makers Workshop / Port Arthur Historic Site Management Authority / Tasmanian Visitor Information Network.</li> <li>5. TasPorts with Councils</li> </ol>



## Part 2: Regional Ports Review

The regional ports review was developed to assess Tasmanian ports and anchorages for their suitability, capability and yield capacity for cruise ship visits.

Each of the following destinations was reviewed through a thorough process of desktop research, one on one interviews and workshop style consultations.

### Ports reviewed

South	East Coast	North	North-West
Hobart	Freycinet	Beauty Point	Burnie
Port Arthur	Bicheno	Flinders Island	Stanley
	Swansea		King Island
	Maria Island		

Destinations were assessed in regard to the different cruise industry segments for their suitability and capability, potential impacts, benefits and opportunity for appropriate cruise activity. Specifically:

- Marine operations, landing and infrastructure.
- Destination offer, tourism infrastructure and industry capability.
- Community sentiment and support.
- Place specific issues and opportunities.
- Overall suitability and potential economic value.

The destinations were chosen as cruise locations as they have previously been assessed by TasPorts as having marine and landing capabilities for cruise ships.

### Other locations

Devonport was found to be undesirable for large and mega cruise ships at a time where larger Bass Strait ships are being considered and implemented. The destination is suitable for

smaller expedition ships and Devonport regional shore tours and excursions are included in programs for cruise calls to Burnie.

Bruny Island has potential for small ships subject to further development of destination capacity and community support for cruise ship visits.

Port Davey / Bathurst Harbour has been excluded due to the remote nature of this destination. With access restrictions already in place for this area and no commercial activity, the potential for economic return is limited. It is recommended that Parks and Wildlife Service (PWS) and Marine and Safety Tasmania (MAST) continue to manage cruise activity in this area according to environmental requirements and safety.

Triabunna was also assessed but was found to be unsuitable due to the distance of a suitable anchorage from the landing point at the marina. While the marina is a suitable landing for tender vessels, the anchorage is more than three nautical miles from this position, making this an unattractive tender proposition for ships.

## Summary of Findings

- Expedition vessels and small cruise ships are the best fit for Tasmania's shore products, destination capability and brand. Consultation on Tasmania's regional ports reflected a broadly positive growth sentiment for ships up to 200 passengers at all ports and anchorages.
- The main ports of Hobart, Burnie and the anchorage of Port Arthur can continue to efficiently manage growth of large cruise ships and mega ships. Yield strategies were discussed as priorities for each of these ports and anchorages. The appetite for growth at all three ports was strongest in the small luxury segment of ships up to 1 000 passengers due to their yield potential and product fit.

- There is potential for a fourth main port to be developed at Beauty Point. This will work either as an anchorage or alongside berthing at Inspection Head, with extensive shore tour options along both sides of the Tamar River, Launceston and surrounds.
- Wineglass Bay has been found to be unsuitable for cruise ship visits due to the potential impact on Freycinet National Park and its visitors.

Opportunities and issues were identified for each cruise destination. Those considered significant for the whole state or common amongst all destinations are listed here;

### Key Opportunities

- Developing partial turn arounds of cruise ships at Hobart presents the biggest yield opportunity. Currently there are processing facilities for up to 700 passengers per ship. This includes customs and quarantine processes and allows passengers to join or depart their cruise in Hobart. This will enable cruise visitors to spend time in Tasmania before or after their scheduled cruise. It will also enable Tasmanian travel agents to sell cruise itineraries from Tasmania, increasing access for residents. Pursuing opportunities for partial turn arounds with cruise lines will include discussions on itinerary segments and overnight visits. Access for partial turn arounds largely depend on available aviation capacity and frequency of air services; and forms part of ongoing aviation route development.
- Developing provedore supply solutions for speciality products presents a yield opportunity. Tasmania is not positioned to supply ships with all their basic goods or fuel, however it is possible to increase the amount of speciality Tasmanian product as both fresh produce and sellable items on board through engagement with shipping agents, cruise line chefs and supply managers. This can be achieved through destination partnerships that encompass ongoing activity with a local chef, local beverage maker, a local artist/craftsperson, a local museum or other attraction, and/or a boutique tour provider.
- Additional passenger spend is another area to grow yield. This can be achieved by increasing tour sales via more attractive offers, and increasing time spent in port including overnight stays. Increasing relevant retail offers will also help achieve this.
- Longer, higher value shore tours are required to attract more boutique international vessels. Continuing to develop attractive shore tours and experiences at all ports and anchorages, and showcasing these products to cruise lines and shore excursions operators is a key activity. Tourism Tasmania will continue to host shore excursion famils and periodically repeat the Tassie Cruise Exchange to facilitate meaningful engagement between tourism operators, cruise company destination managers and shore excursion operators.

- Dispersal of cruise passengers is a further area of opportunity for Tasmania, by increasing the number of regional ports included on itineraries as well as increasing the number of passengers who disperse around the regions.

### Key Issues

- The most consistent issue to emerge from the review is sensitivities around cruise ships at Wineglass Bay and the impact on national parks generally. In regard to Wineglass Bay, there is a persistent perception of direct impact from cruise ships on the seabed and marine environment, on the national park due to noise and fuel emissions, and on the visual impact on visitor amenity and the brand.
- Tour operators have highlighted the complexity of working with shore excursion operators to gain entry and maintain their products in ship tour programs. This applied equally to Hobart, Port Arthur and Burnie tour operators and attractions, and included difficulties with cancellations and late changes.
- Local coordination for planning of operations emerged as an issue at the smaller outports. Smaller outports lack a skilled and knowledgeable central point for the destination to provide effective communication and planning with the shore excursion operator, the cruise line and TasPorts. Destinations have better cruise outcomes in terms of both experience delivery and yield where the RTO or TVIN can take on this role.
- In regional areas, availability of coaches and guides for shore tours was considered a key constraint for growth of medium to large size ships. This did not apply in Hobart but was raised in all other locations.



*Radiance of the Seas, Macquarie Wharf © Dale Baldwin*



## Regional Ports and Anchorages

### Methodology

Each port was initially assessed for marine operations and landing and infrastructure requirements. This assessment was completed by TasPorts and either qualified or excluded destinations for review. This process provided the scope of the review in terms of the type and size of cruise ships that could potentially call at each destination.

A desktop analysis of the current arriving ships, previous visits and destination offer was undertaken for each port. Data from the 2016-17 cruise passenger survey was included along with a number of other data sources.

Tourism Tasmania collaborated with the regional tourism organisations to facilitate a stakeholder workshop for each port that included members of the relevant Destination Action Plan leadership groups, local governments, tourism operators, businesses, residents and other interested parties. These forums discussed opportunities, issues and industry capability in regard to the cruise ship market and its potential growth. Following the workshops, a discussion paper was prepared, and attendees and others were invited to provide further comment/input. A detailed measure of community sentiment was not gathered.

Consultation with relevant agencies and industry leaders was also undertaken, including TasPorts, Parks and Wildlife, Tourism Tasmania Board and the Tourism Industry Council of Tasmania Board.

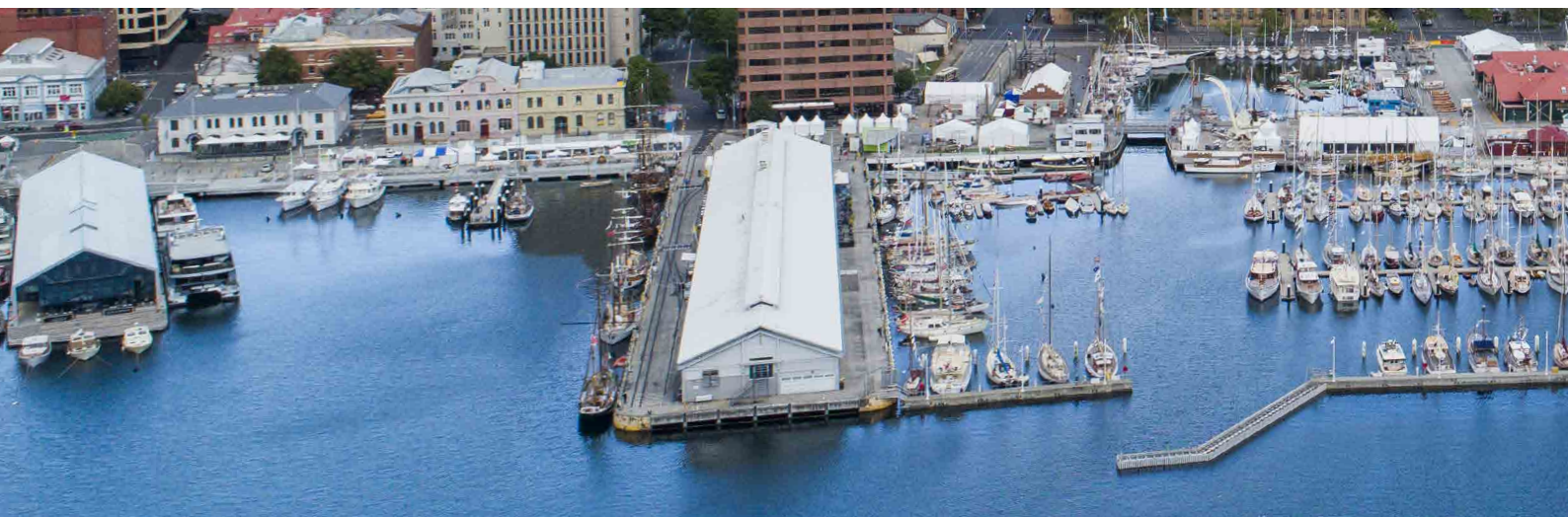
This review is a combination of stakeholder sentiment and opinion as well as key recommendations from the Access Working Group.



Bathurst Harbour © Coral Expeditions



Cape Tourville and Sleepy Bay © Graham Freeman



# Hobart Port

## Operations and infrastructure

Hobart offers a dedicated cruise terminal at Macquarie wharf 2/3.

Macquarie 2/3 has a berth length of 328 metres and can accommodate larger ships up to 350 metres length overall (LOA) alongside the cruise terminal. A second multi user berth 379 metres in length is available for cruise ships at Macquarie 4/5. Hobart caters for the largest cruise vessels operating in Australia.

The cruise terminal provides meet and greet services, visitor information, retail shops, currency exchange and free Wi-Fi. Taxi and public transport connections are nearby, and the terminal is within an easy walk of Salamanca Place and Hobart CBD.

## Arriving cruise ship segmentation

2017-18 was the biggest season to date for cruise ships to Hobart. 59 port calls were made from October to March, with three visits in October, nine in November, ten in December, five in January, twenty in February, and twelve in March.

Ovation of the Seas, the biggest ship to visit Hobart, made four visits last season. This ship is 348 metres LOA, 168 666 gross tonnage, and carries 4 900 passengers and 1 500 crew.

Ovation of the Seas returned for two visits this season on 29 January and 10 March. Her sister ship Explorer of the Seas also visited twice on 13 December and 16 March.

Through December and February there were five days in which two ships visited Hobart on the same day. 2017-18 also saw a record number of 20 overnight visits, up from 15 in 2016-17.

Maiden voyages were welcomed by the Norwegian Jewel, Pacific Explorer and Ocean Dream.

Of the 59 visits;

- eight were from the very large or mega ship class with 2 800 passengers or more. Ovation of the Seas tops this group with 4 900 passengers.
- 38 were from the large ships class with 2 000 – 2 800 passengers,
- seven were midsize contemporary vessels of 1 200 passengers,
- and six were boutique luxury vessels under 1 000 passengers.

There were also nine planned itineraries of the 72-berth expedition vessel Coral Discoverer that called to Hobart from New Year's Eve until the end of February.

## Destination offer and industry capability

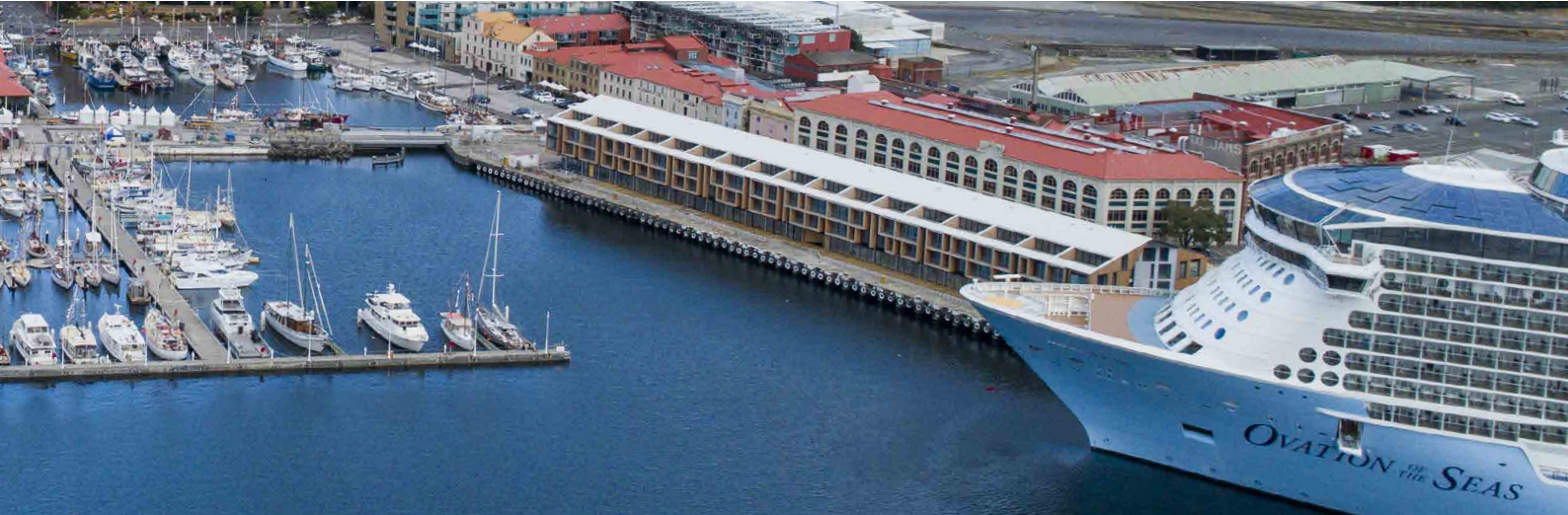
Hobart is Australia's second oldest city and is the state's gateway to many world class destinations including World Heritage areas, colonial heritage and diverse natural attractions. Nestled among the foothills of kunanyi/Mount Wellington, Hobart combines heritage charm with a modern lifestyle.

Local highlights include;

- Sullivan's Cove and Battery Point,
- Salamanca Place and Salamanca Market,
- kunanyi/Mt Wellington,
- the Royal Tasmanian Botanical Gardens,
- Mona,
- award-winning restaurants and wineries,
- Bonorong Wildlife Sanctuary, and
- historic Richmond Village.

Hobart is also the gateway to many of southern Tasmania's best experiences including historic Port Arthur and the Tasman Peninsula, Bruny Island, the Huon and Derwent Valleys, and Mount Field National Park.





## Sentiment

Stakeholders are very positive towards cruise ship visitation and the benefits it provides. They agree that the city retailers have capacity to absorb more growth, but there are concerns regarding the regional destinations' ability to cope with the rapid growth. Medium to long term planning is considered as paramount to ensure adequate services, infrastructure and overall destination capability of the region is matched by growth.

Commercial stakeholders expressed concern that community sentiment was being influenced by media coverage on topics such as cruise ship emissions. They expressed a need for genuine community discussion and engagement on the issues that are currently being raised.

## Opportunities

TasPorts and Sullivan's Cove Waterfront Authority are currently developing a Hobart Waterfront Master Plan.

This provides an opportunity to better use pedestrian spaces between the cruise terminal, the city and Salamanca. Stakeholders would like this to be a consultative process.

Developing partial turn arounds of cruise ships at Hobart presents the biggest yield opportunity for the port and the state. Currently there are processing facilities for up to 700 passengers per ship. This includes customs and quarantine processes and allows passengers to join or depart their cruise in Hobart, enabling cruise visitors to spend more time in Tasmania for their pre and post cruise nights. This will also enable Tasmanian travel agents to sell cruise itineraries from Tasmania, increasing access for residents.

Hobart could also increase yield by attracting more of the international boutique luxury class of vessels that purchase more high value, high quality experiences. There is also an opportunity to develop new day excursions and refresh existing product offerings.

Stakeholders also identified the following opportunities:

- Broaden welcome activities for passengers by including other sectors, such as arts, producers and education.
- Develop a more comprehensive visitor hub within the cruise terminal.
- Encourage more passenger dispersal throughout the city by improving visitor flow and facilities, and potentially provide shuttle buses around the city.
- Provide further wayfinding signs and ground markings to improve the passenger experience and the flow of foot traffic in and around the terminal.
- Franklin Wharf between Hunter Street and Constitution Dock provides opportunities to engage with independent cruise passengers outside of the terminal. Due to vehicles in this area, pedestrian safety is an issue. Tourism stakeholders supported closing this section of the wharf to traffic on cruise days.
- Potentially use Mawson's Pavilion as a space to engage with cruise passengers.
- Develop night markets and evening activities for ships staying in port overnight.
- Provide famils for shore excursion and cruise line operators and repeat the Tassie Cruise Exchange.
- Place a product ambassador on board ships prior to arrival to engage passengers with the destination.
- Invite shore operators to Destination Southern Tasmania's pre-season briefing for general information sharing.
- Engage cruise passengers and entice them to return to the region on another holiday.
- Develop a coordination and communication hub to work with shore excursion and tourism operators for the purpose of building relationships and fostering engagement. This initiative would also support solving operational issues and provide clarity around the areas of responsibility.

## Issues

The increasing number of cruise ships visiting the port of Hobart has raised some environmental concerns in the Hobart community. The atmospheric emissions of greatest concern from cruise ships while at berth in Hobart Port are sulphur dioxide and oxides of nitrogen. The Environmental Protection Agency (EPA) installed an air quality monitoring station in the Hobart Port to continuously measure levels of sulphur dioxide (SO<sub>2</sub>) over the course of the 2017-18 cruise season. An interim release by the EPA on 7 December 2017 said;

*“Monitoring results to date indicate that ambient levels of Sulphur dioxide have been well below the relevant national air quality standards. Short-duration and relatively low-level increases in SO<sub>2</sub> concentrations have been seen and are linked to the presence of cruise ships and other shipping vessels (eg cargo container ships).*

*The National Environmental Protection Measure for Ambient Air Quality standards for hourly-averaged SO<sub>2</sub> concentration is 200 ppb (parts per billion by volume). The daily (24-hour calendar day) standard is 80 ppb. For the interval 10th March 2017 to 7th December 2017, the maximum 1-hour averaged SO<sub>2</sub> concentration measured was 34 ppb, and the maximum day-averaged SO<sub>2</sub> concentration measured was 4 ppb.”*

While increases in levels are seen for most shipping vessels (cruise or other), the levels are maintained well below the national standards. New global cruise industry standards for emission come into effect in 2020. Carnival Corporation, responsible for 90 of Tasmania's 130 visits this year have set its own emissions reduction target of 25 per cent by 2020 (from 2015 levels) and are on track to achieve this. Both Carnival and Royal Caribbean, the two largest cruise lines in the world are building new vessels powered by Liquefied Natural Gas.

Southern Tasmanian stakeholders identified the following issues for cruise ship visitation to Hobart Port:

- Some tourism operators report difficulties engaging with shore excursion operators. They find it difficult to seek information or feedback when tours are dropped or picked up and are reluctant to tailor tours for different ships.
- There is limited capacity to cope with multiple coaches at a time outside of Hobart due to individual operator's capacity, and infrastructure (particularly toilets).
- Domestic passengers are purchasing more short tours i.e. three-hour city sights tours that are low yield and do not disperse to the regions.
- Passenger online sales are putting pressure on shore excursion operators who then look to cheaper, shorter tours to compete.

- There is only a 90-minute window for independent tour operators and the visitor information centre to engage with independent passengers and deliver experiences when passengers disembark and disperse.
- Both cruise ship tour operators and independent tour operators are arriving without bookings, impacting some eateries capacity to deliver services within a brief time window.

## Suitability and potential

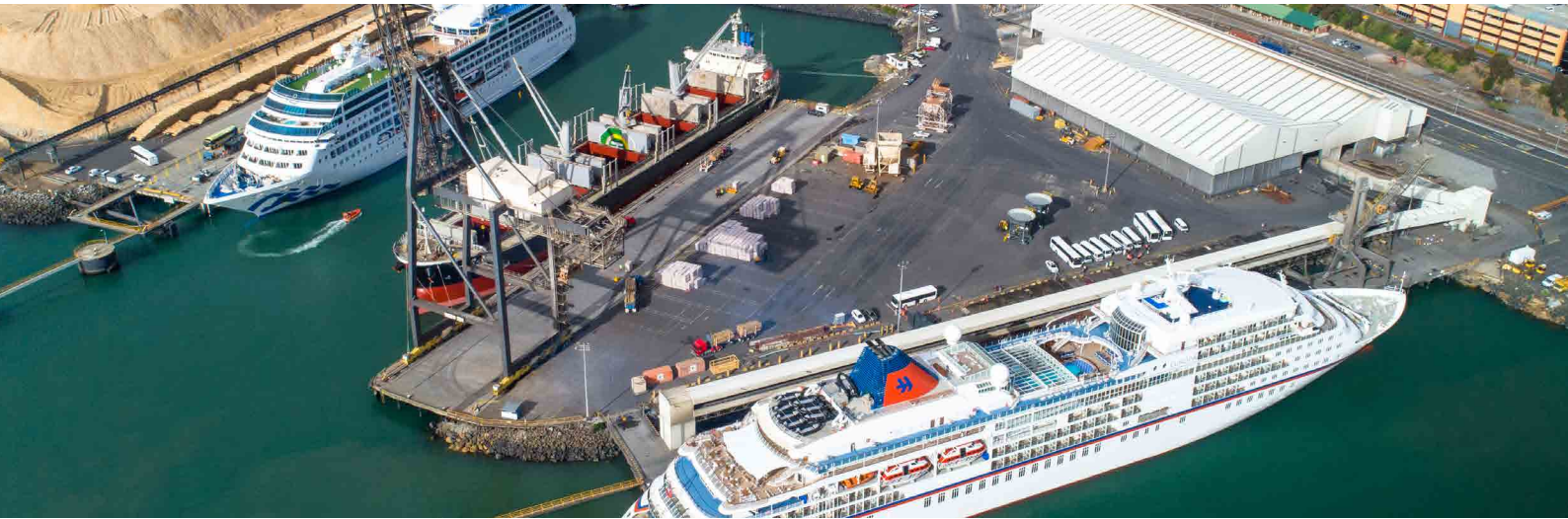
Due to Hobart's size, variety of visitor experiences and ability to disperse passengers to the surrounding regions, industry capability is high, and expected to cope well with the 65 cruise ship calls planned this year. Stakeholders felt the capacity of the surrounding regional experiences was more of a concern than the capacity of the city. They also felt that the tour offerings needed a 'refresh'.

Stakeholders agree that developing partial turn arounds, where some passengers join or terminate their cruise in Hobart, would provide opportunity for pre and post touring to grow yield. This, as well as attracting more of the small luxury class of vessel are priorities for Hobart port.

Stakeholders also note that there is potential to better use the cruise terminal and waterfront precinct to guide and manage passenger movements and provide a smoother visitor experience for cruise passengers. Stakeholders strongly support visitor information, way finding, retail, and independent tour offerings being managed in a coordinated manner, with a view to increasing engagement with passengers and cruise lines.



Heritage Horse Drawn Carriages © Tanya Chalice Photography



# Burnie Port

## Operations and infrastructure

Burnie is a working port and cruise ships come alongside at berths 5, 6 and 7. Cruise ships, timber and woodchips, containerised shipping and minerals are the main industries using the port.

In 2016, TasPorts invested in a mooring dolphin for berth 7, enabling ships up to 315 metres LOA to berth. This allows for almost all of the cruise ships operating in Australia to berth at Burnie.

On-board tour departures leave directly from the port and due to the port's busy operational nature, passengers are not able to move about the port on foot. There is no cruise terminal, however, a visitor greeting service and shuttle bus to the Visitor Information Centre at the Makers Workshop is provided.

New architecturally designed cruise shelters are in place at Burnie Port for the 2017-18 cruise season. The shelters deliver comfort and protection from the weather for passengers while they wait for buses into Burnie, or wait to reboard their ship. These shelters are portable and can be positioned at other ports or anchorages if required.

## Arriving cruise ship segmentation

2017-18 was the biggest season to date for cruise ships to Burnie. Of the 30 cruise ships booked at Burnie, 14 were visits by large cruise ships with 2 000 passengers or more. The largest ship was Norwegian Jewel, which made five visits this season.

Nine of the visits were by mid-size vessels (under 2 000 passengers) in the domestic/premium market, all of which are Carnival Corporation brands; the Pacific Princess, Pacific Eden of P&O and the Maasdam of Holland America Line. These midsize vessels are somewhat anomalies. Global trends are moving away from this class and towards either the highly economical large and mega ships, or boutique luxury small ships. Pacific Eden has since been sold.

There were nine visits of boutique luxury ships (under 1 000 passengers), with the Insignia, Europa, Silver Whisperer and Crystal Symphony all making calls at Burnie, as well as the Regatta visiting three times and the Astor twice.

Of all the ports, Burnie has the most balanced market, drawing visits from all ship categories, and attracting most of the higher yield small luxury class.

The overall growth in Burnie is significant enough to require a new approach from stakeholders. Many have said that the 12-15 ships of the last few seasons were serviced with current resources; however, the 32 cruise ship days of 2017-18 put pressure on industry resources and a new approach is required for the way they work and plan.

In the 2017-18 season, two ships visited concurrently over two days. So far, these double bookings have included at least one smaller ship. Stakeholders are concerned about the destination's ability to cope with two large ships on the same day.

## Destination offer

Burnie is a vibrant city on a beautiful stretch of Tasmania's north-west coast. The town is the gateway to a range of natural attractions in Tasmania's north-west which can all be reached through scenic drives along the coast or through farmland featuring boutique producers. Local highlights include;

- the Burnie Makers' Workshop and Creative Paper tour,
- Wings Wildlife Park and Gunns Plains Caves tour,
- the 13 hectare Emu Valley Rhododendron Garden and Platypus Walk,
- the World Heritage wilderness of Cradle Mountain, Dove Lake, Waldheim Spa,
- Devils@Cradle wildlife experience,

- tasting and making experiences at Anvers Chocolate, Ashgrove Cheese and Christmas Hills,
- Raspberry Farm and Ghost Rock vineyard,
- Bond Store experience with Master distiller at Hellyers Road Whisky Distillery,
- helicopter to Cradle Mountain & Meet the Devils Experience,
- Stanley and Tarkine experiences and photography tours,
- 'hop-on, hop-off' attractions bus that travels between the Makers' Workshop and Emu Valley.

## Industry capability

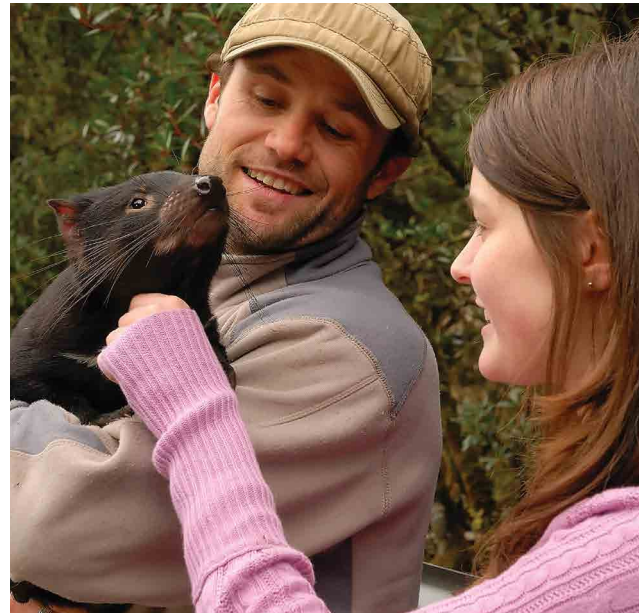
Burnie's exact capacity for cruise visitors depends on factors such as passenger demographic, take up of organised tours, length of stay, and timing (public holidays). Stakeholders indicate that Burnie has capability and capacity for at least 3 000 cruise passengers in a day, however, accommodating 4 000 or more passengers would put pressure on the shuttle bus operations and the Makers' Centre.

Stakeholders also note that individual operators have carrying capacities at any given time and this needs to be considered when accommodating for high passenger visitation. Having the infrastructure to service large groups and the ability to stagger tours takes planning and engagement in the sector.

There are no regular tourist coaches in the region and there is limited coach capacity other than school buses. There are 17 shore tour buses available in the region, catering for about 850 passengers at a time (before vehicles, drivers and guides need to be sourced out of region). These transport limitations are considered a barrier for cruise growth by some stakeholders. Last season approximately 60 per cent of passengers at Burnie took an organised tour, either through the shore excursion program or independently. This was the highest participation rate of any Tasmanian cruise destination.

Retail outlets in the regions and in Burnie have limited trading hours, particularly on Sundays and public holidays. The retail industry may benefit from awareness building activities to inform them of expected passenger numbers during cruise ship season. This may also result in outlets extending their opening hours.

The cruise market has grown rapidly for Burnie and concerns have been raised about the sustainability of service delivery to cruise ship visitors. Stakeholders agree that further planning and dedicated resources to manage issues such as volunteer and staff fatigue would be required if growth were to continue. Stakeholders would also like to grow the volunteer pool and provide volunteers with incentives to ensure sustainability of service delivery.



*Devils@Cradle, Tasmanian Devil Sanctuary ©Michael Walters Photography*

## Sentiment

Stakeholders are very positive about the benefits and activity of cruise ships, but there are concerns regarding Burnie's ability to cope with the rapid growth. Stakeholders would like to focus on medium to long term planning, resourcing and industry development to ensure adequate services, infrastructure and overall destination capability is matched to growth.

There is significantly lower tour uptake for domestic passengers compared to international, therefore, stakeholders would like to develop a greater understanding of the domestic cruise passenger demographic and the needs of shore excursion operators, including what they are looking for in tour offerings.

## Opportunities

Stakeholders agree that the key yield opportunity for Burnie is to focus on the dispersal of cruise passengers around the region by lengthening the time spent in port and developing potential overland components that include disembarking the ship in Burnie and re-joining in Hobart.

Stakeholders recommend that tourism operators collaborate with shore excursion operators to match offerings to specific cruise lines and develop more high-end or exclusive tour options for the small luxury cruise market such as; meet the maker, paddock to plate, tasting tours, Tarkine tours, heli tours, Woolnorth luncheon or windfarm tours.

There are many tours on offer in the region that are not currently included in shore excursion programs, therefore opportunity exists for independent tour operators to offer product to passengers on arrival - particularly the domestic market who are less likely to have pre-booked a tour.

Stakeholders also identified the following opportunities:

- Invite a regional personality on board the ship prior to arrival to engage with passengers through tastings and presentations. Developing a connection to place via the story of the people and produce has been shown to increase retail sales at the destination. Cruise lines have shown some interest in this.
- Increase industry engagement with shore excursion operators and cruise ship companies by developing regular family programs.
- Develop more ways for producers and artists to sell to passengers at the Makers Workshop.
- Investigate potential for a produce or arts and crafts market to engage passengers in the producer's story of the region, similar to the Niche Market held in Burnie or the Provedore Place. There may be potential for this to take place in Penguin.
- Investigate how to capture sales from passengers straight off the ship. Retail and markets in other ports have shown that most sales are made early morning and tend to decrease throughout the day.
- Advertise the cruise ship schedule in The Advocate newspaper and various websites to increase awareness in the community and with retailers. The schedule could also be promoted to industry via newsletters distributed by Cradle Coast Authority and Chamber of Commerce.
- Engage cruise passengers to encourage them to return to the region on another holiday - shore excursion operators report growing numbers of international passengers purchasing pre and post cruise holiday nights.
- Build an overhead walkway from berth 7 to the Esplanade. The Burnie Tourism Association have suggested this construction, however, it would require a significant spend on a large capacity elevator to enable access to the walkway.

## Issues

- The distance between Burnie and key attractions such as Cradle Mountain and the Tarkine make the time available for tours an issue. This is particularly acute for Cradle Mountain for anything less than an eight hour stop.
- A day trip to Cradle Mountain poses difficulties for older passengers especially those with mobility issues.
- Shore excursion operators generally contract historical offers rather than new ones. Operators find it difficult to introduce new tour product to existing shore tour programs.
- There is a very small pool of 5 to 15 hire cars available in Burnie and transferring them from outside of the region is costly.

- Cruise ship visitation is highly seasonal and investment in coaches, eateries and other businesses is difficult.
- There is only a small window of opportunity for retail outlets to benefit from sales from cruise passengers. Retail outlets report that they find it difficult to attract and engage cruise passengers.
- There are some concerns regarding the effect of emissions and waste disposal on the environment as the cruise market continues to grow.
- Overnight stays are difficult in Burnie due to port configuration requiring shuttle buses for passenger movements, and the expense involved with this.
- Port movements of other industries such as containers, timber and minerals are also growing strongly at Burnie. Continued rapid cruise growth may impact on these sectors.
- Shuttle buses for cruise passengers are a significant cost to Burnie City council. Cradle Coast Authority are facilitating discussions between the council's to address this and TasPorts are also making a contribution to this cost.

## Suitability and potential

Stakeholders agree that Burnie remains highly suitable for ships of all classes, but will struggle with continued growth due to the carrying capacity of businesses and overall capability of industry.

Stakeholders recommend that Burnie focus on attracting the small luxury ship market. The Tasmanian Cruise passenger Survey 2016-17 found that small luxury ships generally carry international visitors and a higher percentage of these passengers participate in shore tours. International visitors spend more and are more disposed to small group touring which the region's attractions can best cater for due to limited transport and industry capabilities.



Cradle Mountain © Frederic Courbet



## Port Arthur Anchorage

### Operations and infrastructure

Port Arthur anchorage allows vessels to anchor at either the inner harbour or outer harbour, depending on vessel size. The harbours are piloted and there are no fixed cruise berth facilities at Port Arthur.

The inner harbour is currently restricted to vessels under 190 metres in length and 11.9 metres draft or less. The inner harbour anchorage is 600 metres to the landing jetty.

The outer harbour has no size restrictions other than a maximum draft of 12 metres, which is more than adequate for all cruise demand. The outer harbour anchorage is 1.3 nautical miles to the landing jetty.

The ship's tenders are used to ferry passengers to the upgraded jetty that caters for up to four tender vessels simultaneously.

Port Arthur Historic Site Management Authority (PAHSMA) has completed a \$13.2 million upgrade to the visitor centre to cater for increased demand from all visitation including cruise ships.

### Arriving cruise ship segmentation

Of the 26 cruise ship visits to Port Arthur this year, 25 were Carnival Corporation ships. Carnival has several cruise ship brands including Carnival, Princess Cruises, P&O Australia, Holland America Line and Seabourn.

Each brand has its own profile of customers and the profiles vary from ship to ship within a brand. Carnival and P&O are considered affordable and have strong Australian patronage catering for couples, families and multi-generational groups. The average age of passengers to Port Arthur is 54, the lowest in Tasmania.



Tessellated Pavement © Lee Henley

Princess Cruises and Holland America are considered premium cruises and carry a wide mix of passengers from both Australia and international origins. Ship patronage varies but these ships are generally pitched towards couples rather than families.

Port Arthur Historic Site also welcomes Coral Expeditions as part of their 7-night Tasmanian itinerary, operating from January to March.

In 2017-18 only one ship that visited Port Arthur, the MS Astor, is considered to be in the boutique luxury ship market, carrying up to 600 passengers that are mostly affluent couples of German origin. The international boutique luxury class have the highest per passenger daily spend<sup>3</sup>. By comparison, Burnie benefits from nine visits by ships of this class in the same season.

The 2016-17 cruise survey found that 89 per cent of cruise passengers visiting Port Arthur were Australian - this is higher than any other Tasmanian port. Hobart and Burnie both attract mostly international passengers.

<sup>3</sup>Tasmanian Cruise passenger Survey 2016/17

Of the domestic passengers at Port Arthur, the vast majority were from New South Wales and Victoria. 21.5 per cent were from Sydney, 17.6 per cent were from other areas of New South Wales. 21.9 per cent were from Melbourne and 10.9 per cent from other areas of Victoria.

## Destination offer

Port Arthur was established in 1830 as a timber station and was later built into a small town designed for the housing and punishment of convicts. Full of stories of hardship and loss, Port Arthur is one of Tasmania's most rewarding travel experiences.

More Australian convict history can be experienced at the nearby World Heritage listed, Coal Mines Historic Site. The site is located 20 kilometres north-west of Port Arthur and reveals the harsh lives of convicts who worked underground extracting coal.

Other local highlights include;

- Tasman Arch,
- Devil's Kitchen,
- Remarkable Cave,
- Tessellated Pavement,
- Eaglehawk Neck, and
- Shipstern's Bluff.

## Industry capability

The Port Arthur Historic Site is the key offering for ships to the area and there are many ways passengers can experience the site, including private guided and Behind the Scenes tours, and private dining in the historic Visiting Magistrates House.

Other experiences in the region are William McHenry Whisky Distillery, Remarkable Cave to Crescent Bay walk, Port Arthur Lavender Farm, Federation Chocolate Factory, Tasmanian Devil Unzoo, Osborne Heli Tours, Hellfire Bluff Distillery, and wine tasting with Bream Creek Wines.

There are capability restrictions which limits how many ships and passengers can visit Port Arthur Historic Site simultaneously. The site currently has a daily carrying capacity of 5 000 people due to the limit of the sewage treatment facility.

There is also limited transport available which restricts passengers from visiting other attractions in the region.

Overall, stakeholders consider the region's industry as having great potential, but more organisation and leadership is required. They would also benefit from guidance on service delivery expectations from shore excursion operators.

Out of the established Tasmanian ports, Port Arthur has the lowest uptake of organised shore tours with only 29.3 per cent taking an organised tour other than visiting the site itself. One of the main contributing factors to this low tour

uptake is the high ratio of domestic passengers who have less propensity to join a tour compared to international passengers. It is also considered that visiting a World Heritage site can act as a disincentive to many passengers to join an organised tour which would take them outside of the site.

## Sentiment

Stakeholders are generally positive towards cruise ship visits to Port Arthur. They agree that there are a lot of opportunities in the market and unrealised yield potential, and the overall sentiment is that there is still a lot of work to do to capitalise on this.

There has been a vast increase in cruise visitors to Port Arthur over the last two years and several tourism operators have employed extra local staff on cruise ship days to cater to demand. However, despite the increase in visitors, stakeholders identified that businesses in the region such as cafés and tourist attractions are not benefiting from or impacted by cruise visitors. The lack of transport to disperse cruise visitors from the Port Arthur Historic Site was cited as a reason for this. The local taxi and Uber operators are often seen on cruise days collecting independent passengers for tours of the region. This is viewed as sporadic and unreliable but has potential to grow.

Stakeholders note that there is scope to increase packaging of existing experience products to offer to shore excursion operators. Products mentioned include distilleries, wineries, fishing, golf and making workshops. Tourism operators would like to offer these packaged experiences, but they expressed a lack of support and guidance to propose development ideas to shore excursion operators. They are now seeking support to better package and present product for this market.

The Tassie Cruise Exchange was mentioned as a good way for tourism operators to connect with shore excursion operators, however they would like a longer notice period before the next event to allow them to prepare and structure experiences to suit the needs and expectations of shore excursion operators. The extra time would allow for better collaboration between tourism operators and other businesses in terms of add-on experiences.

In regard to community sentiment, PAHSMA have received no complaints from non-cruise visitors regarding cruise ships at Port Arthur and there are no concerns about the heritage impact of cruise ships. The historic site acknowledges the contradiction of a modern monolith ship against a scenic landscape but considers that the anchorage is far enough away to ensure the ships are not visually imposing on the site. Ships, including visitor ships, are part of the heritage of the site with the first visitors arriving by ship just three months after the penal settlement closed.

## Opportunities

Stakeholders found that there are opportunities available in the region to attract more luxury class international ships (under 1 000 passengers) that will provide greater yield through visitor spend.

The following opportunities were identified by stakeholders to attract this market segment:

- Provide diversity of experience in tailored packaging or organised tours for attractions available within 30 minutes of Port Arthur. These could be pre-sold on the ship.
- Place a regional ambassador on board ships prior to arrival to provide the story of the region and sell tours. The cruise lines have been amenable to this in the past.
- Provide additional and convenient transport between attractions and day walks in a hop-on hop-off style shuttle bus.
- Invite local artists to establish an art market at the historic site, particularly featuring local indigenous works. Port Arthur Historic site is also considering setting up a visitor information hub near the wharf.
- Create overnight packages that offer a Ghost Tour or night time experience with food and accommodation. Cruise ship passengers can meet the ship in Hobart the next day.
- Showcase a snippet of the Three Capes Track at Shipstern's Bluff and Cape Raoul to entice passengers to return and experience more of the region.
- Offer a regional workshop for operators focussing on collaboration and information about how to cater to different markets due to the diversity in the overall visitor market. This could be facilitated by the regional tourism organisation.
- Convert cruise passengers to repeat holiday visitors. Due to the high volume of passengers from Victoria and New South Wales, the potential for repeat visitation from this group is high.
- Further disperse cruise visitors around the region, to provide benefits to the wider community and help keep passenger numbers below the sites carrying capacity on busy days.



Port Arthur Historic Site © Frederic Courbet

## Issues

One cruise line, Carnival Corporation, dominates all visits to Port Arthur. This was identified by stakeholders as a key issue for the destination. They determined that engagement with other cruise lines is needed to show the value of Port Arthur as part of a longer international itinerary.

Stakeholders also identified the following issues:

- Current operational limits of 5 000 people per day at Port Arthur Historic site, due to sewage plant capacity. This applies to all visitors not just cruise visitors.
- Overnight stays were deemed unsuitable by the cruise ships due to the level of risk it adds to the tender operation. Therefore, overnight packages including the Ghost Tour may not be feasible.
- The PAHSMA road accessing the public jetty is closed to vehicles on cruise days, inconveniencing the locals and fisherman. An alternative jetty is available close by.
- The Council reported budget pressure for roads and toilets used by visitors to the region, due to rapid visitor growth.
- There is limited transport between attractions which hampers passenger dispersal in the region.
- Port Arthur has a high percentage of domestic cruise visitors and generally domestic visitors spend less than international visitors.
- Port Arthur is not attracting boutique and luxury vessels. Barriers might include Port Arthur's close proximity to Hobart and the style of itineraries, as well as the tender operations that are unattractive to these segments.
- Customs and Immigration have declined conducting outbound processing at Port Arthur on one occasion this year which could be a factor in market decision for international itineraries departing for New Zealand.
- Tourism operators report that shore excursion operators are seeking low yield basic shore excursion packages, however, if there is an opportunity to make a niche connection with passengers, they can on-sell more value and generate higher yield. For example, Port Arthur Lavender noted that while they contract a basic morning tea product with one shore excursion operator, when they provide the making tours for free, a connection to place is established and the passengers are inclined to spend more at the lavender shop.





## Suitability and potential

Large ships (1 800+pax) are the main class of ship currently visiting Port Arthur. The site is coping with visitation from these ships, with no major issues arising.

Boutique luxury ships (less than 1 000pax) and expedition ships (less than 200pax) offer a suitable market for development and are the key segments for Port Arthur to target. More than ten of these vessels are currently visiting Tasmania but they are bypassing Port Arthur. Additional high end shore products are required to attract this market to Port Arthur and increase yield. The fishing and walking products available in the region fit well with these segments.

Port Arthur anchorage has limited suitability for mega ships (3 000+pax) due to the water and sewage capacity at the historic site, and the time and difficulty of tender operations for this segment.

Increasing visitor yield is a high priority for Port Arthur. Passengers at Port Arthur had the lowest visitor spend of the three ports (Hobart, Burnie and Port Arthur) surveyed in 2016-17. On average, cruise passengers at Port Arthur spent \$106 per person, below the state average of \$140 per person<sup>4</sup>.

The lower spend is partly attributed to the higher percentage of domestic passengers but is also attributed to less spend in the categories of food/drink, shopping, tours, transport and entertainment due to the lack of offer in these categories.

Stakeholders identified a number of opportunities for yield improvement including offering specialised tour options focussing on food and wine, walking and wilderness. Port Arthur Lavender suggested inviting local winemakers without cellar doors to set up wine tastings and sales on their licenced premises.



© Supplied Courtesy of Port Arthur Lavender



The Tasmanian Devil Unzoo © Frederic Courbet

<sup>4</sup>Tasmanian Cruise passenger Survey 2016/17



# Wineglass Bay Anchorage

## Operations and infrastructure

Wineglass Bay is the anchorage on the east coast most regularly used by cruise ships. Some expedition vessels also anchor at Maria Island.

Wineglass Bay is a pilotage zone with an anchorage 2.5 nautical mile from the beach landing. There are no landing facilities, which prevents large cruise ships from disembarking any passengers. Expedition vessels however, can use zodiacs to tender to the beach subject to Parks and Wildlife Service approvals. There are currently no size restrictions for entering or anchoring in Wineglass Bay.

Coles Bay is restricted to small vessels up to 105 metres, and a safety assessment is required for every vessel. The recommended draft is less than 5 metres. A third anchorage off Fleurieu Point is more than four miles from Freycinet Lodge, and is too far away to comfortably tender passengers.

## Arriving cruise ship segmentation

Wineglass Bay has received cruise ships for many years. These normally range between two to five visits a year. Bookings are increasing slightly at Wineglass Bay with some ships seeking to anchor and larger vessels circumnavigating the bay for 20-40 minute durations as part of a four hour, piloted east coast sightseeing experience.

Several operators have sought to land on the beach and provide guided tours for clients.

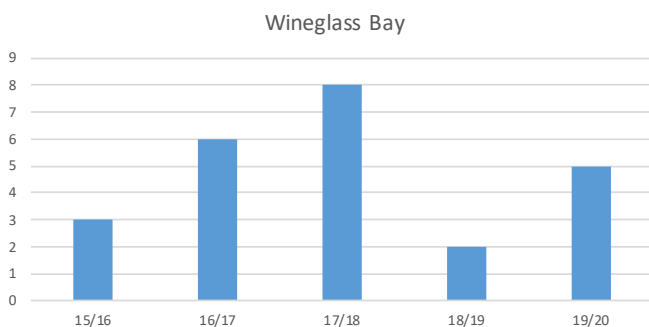
The 2017-18 season was the busiest for many years with eight cruise ship visits in addition to a further eight full day landing visits from the 72-berth expedition vessel Coral Discoverer.

In 2017-18, six calls were booked by Princess Cruises, one call booked by P&O's Pacific Eden and one call booked by Ponant's L'Austral. Ponant cruise ships visit Tasmania on a regular basis. They have seven luxury expedition vessels and more on order. L'Austral is a 142 metre expedition vessel carrying 264 passengers and 136 crew.

In 2018-19 only two cruise ship bookings (Princess Cruises) have been made for Wineglass Bay, this level returns to five bookings in 2019-20.

Ponant's next scheduled visit to Wineglass Bay is the 128 metre Le Laperouse in 2019-20, a brand-new ship and the first from Ponant's four ice-class expedition ship investment due for launch in June 2018.

The 63 metre, 72 berth Coral Discoverer includes Wineglass Bay on its 7-night Tasmanian itinerary, which was scheduled to operate eight times over the 2017-18 season. This itinerary remains flexible and is highly impacted by weather: Coral publishes scheduled itineraries that include disembarking passengers at Wineglass Bay and sometimes staying overnight at anchor. It is not feasible to bring passengers ashore at Coles Bay, however other east coast anchorages are offered and are discussed in their own section of this document.



\*as per bookings at 1st Jan 2018

## Destination offer and industry capability

Wineglass Bay offers access to Freycinet National Park. Activities are mostly walking based, with some special activities based around guided ecology walks and photography tours. Significant concerns have been raised by industry regarding the impact of cruise ships on the destination experience of non-cruise visitors relative to the near zero economic contribution attributed to east coast cruise ships visits.

## Sentiment

Overall, stakeholder sentiment is to restrict any further cruise ship growth to Wineglass Bay. Stakeholders would like to encourage expedition vessels to explore the east coast from alternative anchorages off Bicheno or Swansea where amenities can be provided for passengers and greater yield opportunities can be realised.

Stakeholders note the high levels of sensitivities around cruise ships at Wineglass Bay and the impact on National Parks generally. The park is renowned for its view from the Wineglass Bay lookout where up to 300 000 people per year visit for a view of the wine glass shaped bay. This image is synonymous with the brand of Tasmania as an iconic natural destination.

There is a negative perception of impacts from cruise ships on the scenic amenity and the consequential impact on the visitor experience. Other concerns relate to the potential impact on the seabed and marine environment, noise and fuel emissions.

While no specific assessment of the seabed has been conducted, Parks and Wildlife Service advise that unlike Bathurst Harbour where limits are applied to protect the halocline layer, the sandy bottom of Wineglass Bay is unlikely to be as vulnerable to cruise ship thrusters and movements.

The key Wineglass Bay issue relates to the impact on experience for visitors to the National Park, most particularly in relation to visual and noise impacts. A broad cross section of locals and tourism industry stakeholders are of the opinion that it is inappropriate for large vessels to enter Wineglass Bay. This view is supported by public petitions against large cruise ships entering the bay.

## Opportunities

The Freycinet National Park Master Plan currently in development, deals with the visitor experience and associated infrastructure in Swanwick, Coles Bay and Freycinet National Park. The plan will detail visitor impacts on water and sewage, traffic management and parking, day use areas, visitor amenity and community impacts and provides an opportunity to consider cruise visitation in context of overall management of the park.

Stakeholders discussed potential opportunities to minimise the impact of cruise ships at Wineglass Bay, including:

- Managing expectations of visitors and advertising the dates for cruise ship visits.
- Minimising the time ships spend in the bay during the peak of the day.
- Open a dialogue with Princess Line / Carnival Corporation about sensitivities of the National Park and the opportunities of alternative sightseeing experiences on the east coast.
- Parks and Wildlife Service and MAST to agree on limits, this could include the number of vessels, the time of calls, etc.
- Critically examine Freycinet National Park boundary, which currently stops at the waterline.
- Develop other east coast locations as potential berth/ anchorages for small ships and expedition vessels.

## Suitability and potential

Stakeholders agree there are limits to the suitability of cruise ships in Wineglass Bay due to the impacts on Freycinet National Park and its users.

Stakeholders recommend that any new restrictions apply to new cruise bookings only. Cruise lines have itineraries in market and long planning cycles that should be taken into account. Current Parks and Wildlife contracts with existing operators expire over the next two to five years. During this time the east coast region can respond with the development of logistics and shore tour offerings for Bicheno and Swansea so that small ships and expedition vessels are assisted to explore the east coast in other ways, and large cruise ship passengers are provided access to Freycinet National Park by land from alternative anchorage.

Further work by the Parks and Wildlife Service and Tourism Tasmania will be conducted to develop appropriate measures with the view to restricting large cruise ship operations and landings at Wineglass Bay in the future. Feedback from cruise lines will be sought and recommendations will be formulated for consideration by the T21 Steering Committee and the Premier's Visitor Economy Advisory Council.



## East Coast Anchorages

### Operations and infrastructure

**Coles Bay** is restricted to small vessels up to 105 metres and a safety assessment is required for every vessel. The recommended draft is less than 5 metres. A third anchorage off Fleurieu Point is more than four miles from Freycinet Lodge and therefore too far away to comfortably tender passengers.

**Bicheno** (Waubs Bay) is suitable for expedition vessels at a distance of one nautical mile to the public jetty and is not a pilotage zone. Vessels up to 300 metres LOA can apply to MAST for a safety assessment. Larger vessels would be required to anchor further away and would therefore be more exposed to easterly winds.

**Swansea** (Great Oyster Bay) is a pilotage zone suitable for very large vessels up to 350 metres LOA. The anchorage is 1.6 nautical mile to the public boat ramp and jetty at Swansea.

**Maria Island** (Reidle Bay) is suitable for expedition vessels. The anchorage is one nautical mile from the beach and no landing facilities are available, therefore zodiacs are required. This is not a pilotage zone, however Parks and Wildlife Service and MAST regulations apply.

### Arriving cruise ship segmentation

The 72-berth expedition vessel Coral Discoverer is operating up to eight 7-night itineraries that will visit the east coast calling at Wineglass Bay and Maria Island.

There is also a booking for the 100 passenger Caledonian Sky to visit Bicheno, Wineglass Bay and Maria Island in November 2019 as part of an extensive Tasmania and New Zealand itinerary.

### Destination offer and industry capability

It may be feasible for small vessels to bring cruise passengers ashore at Coles Bay. Bicheno and Swansea are also potential options with Freycinet and Coles Bay accessible by coach tour.

Bicheno and Swansea are within 30 minutes of each other and within a 1.5 hour touring radius. These destinations offer passengers a wide range of experiences including, Nature World, wineries, secluded beaches, coastal walks, unique diving and glass bottom boat experiences, historical walks, motorcycle museum, golf and bespoke shopping. For expedition vessels staying more than one day, there are also penguin and devil evening experiences.

Stakeholders suggested that Bicheno could offer independent passengers the best experience as the village is an easy walk from the landing and has plenty of amenities.

Accommodating expedition vessels of 100-200 passengers at either Bicheno or Swansea seems to be achievable in terms of service delivery for staggered small groups with staggered lunches.

There is very limited capability on the east coast for 500-600 passengers at this time, in terms of available resources for planning and service delivery. Coaches and other forms of transport are also limited and a major constraint in regards to capability.

For all of January and February, most of the east coast is at capacity in terms of beds, eateries and attractions. Individual tourism operators report being already stretched for resources to deliver services for visitors, especially groups, during that period.

Industry reported issues with attracting staff to the east coast in peak periods, partly because there is no available housing. Tourism operators reported difficulties finding staff accommodation last season.

## Sentiment

Stakeholders expressed positivity towards accommodating cruise ship passenger groups up to approximately 200 passengers on the east coast and any groups larger than this would present significant challenges.

Overall the sentiment is to limit any further cruise ship growth to Wineglass Bay. Stakeholders would like to encourage expedition vessels to explore the east coast from alternative anchorages off Bicheno or Swansea where amenities can be provided for passengers. Stakeholders believe that cruise passengers who experience the east coast could be encouraged to return on another holiday.

East coast communities have been sensitive to large development proposals. Large developments on the east coast are viewed critically, unless sensitive in design and pitched to nature driven customers. However, the Austrade foreign investment strategy priority was mentioned as an opportunity to deliver more capability and capacity to the east coast.

## Opportunities

The east coast has a well organised tourism industry and TVIN network that can assist in delivering information and services to passengers. The local governments are also positive towards small vessels.

Maria Island was discussed as an opportunity for expedition vessels only. It was also seen as having a large carrying capacity, although limited ready-made products and experiences. Nature driven visitors can enjoy walking, wildlife encounters and cycling experiences (dependent on the individual's fitness levels).

The new ferry service to Maria Island operated by Navigators, is expected to carry around 700 passengers each way during the season daily. Visitation is growing strongly with this new access solution which may lead to the development of more commercial products.

Other product opportunities for cruise groups include;

- Freycinet National Park walks
- East Coast Nature World
- east coast wine route
- Kate's Berry Farm
- Bicheno Glass Bottom Boat
- Maria Island
- Freycinet Marine Farm
- St Columba Falls
- Pyengana Dairy company

## Issues

Stakeholders identified the following issues:

- There is no suitable berthing for cruise ships on the east coast, there are only anchorages.
- There is very limited coaches and transport options. Shore operators will need to source coaches outside of the region.
- Tourism operators have very limited available capacity in peak season December – March.
- There are constraints on growing the peak period workforce including housing for the seasonal workforce.

## Suitability and potential

Stakeholders agree that overall, industry operators on the east coast are fairly well organised and capable of delivering services and deriving good yields from expedition cruise ships of up to 200 passengers. Any vessels over that size wishing to land passengers would pose a great challenge.

**Bicheno** – The anchorage is suitable for small (expedition) ships. Bicheno is seen as having the best destination offer and capability, and has an appropriate village centre for independents on foot. Bicheno is able to cater for expedition and small ships and is within 1.5 hour proximity of many attractions for coach touring, including Coles Bay.

**Swansea** – While the anchorage is suitable for large ships, the destination offer and capability is suited only to expedition vessels. Swansea is an alternative anchorage to Bicheno in unsuitable weather conditions. It is also in close proximity to attractions and Coles Bay.

**Maria Island** – The anchorage (Reidle Bay) and destination is only suitable to expedition vessels and offers an excellent nature based experience. It is however quite exposed to easterly weather conditions.

**East Coast** – Due to capability issues on the east coast including the limited available workforce, housing, transport, and overall capacity in peak season, stakeholders recommend that the focus should be on maximising opportunity for small ships at anchorages where shore experiences can be offered.



Wombat at Darlington, Maria Island © Dominic Zeng



## Beauty Point Port – Inspection Head

### Operations and infrastructure

TasPorts has recently completed wharf remediation that allows berthing for vessels up to 140 metres LOA at Inspection Head. The berth is a concrete wharf, located at Beauty Point on the western bank of the Tamar River. Anchorage is also available for vessels up to 260 metres LOA, with tender distances varying from 2.5 to 4 nautical miles. A shorter tender to Bell Bay is also an option. Beauty Point is a pilotage zone.

Further infrastructure investment is required to allow for vessels up to 220 metres in length to berth alongside at Beauty Point.

The wharf is home to two tourism businesses, Seahorse World and Platypus House, and provides space for a pop-up community market. A foreshore walk has been proposed and would connect the port to the Beauty Point Village.

### Arriving cruise ship segmentation

Ponant's L'Austral visited Beauty Point in January 2018 and was the first cruise ship to visit in five years.

The expedition cruise market is seeing strong growth in Australia and New Zealand. Remote destinations are appealing to this segment, in line with the growing trend in land-based adventure travel. Expedition cruising is attracting an audience of well-travelled holidaymakers who are seeking new adventures. An expedition cruise generally carries up to 300 passengers.

There are also a number of small boutique ships currently visiting Tasmania that could call at Beauty Point. These range in capacity from 200 to 1200 passengers.

### Destination offer

Sitting on the northern reaches of the Tamar valley in the middle of sheep, cattle and wine-growing country, Beauty Point was originally established as the first deep water port in the area. The port is still the heart of the town and hosts Australia's National Institute for Maritime Studies.

In Beauty Point Village, riverside cafés provide uninterrupted views of the Tamar Valley, and the neighbouring village of Beaconsfield is home to the region's gold mining history and Beaconsfield Mine and Heritage Centre.

There are a range of experiences available on both sides of the Tamar River; within a 1.5 hour radius of the port. These include;

- Narawntapu National Park; the original home of the Mairremmener people. Visitors can take an indigenous guided walking tour and experience up-close encounters with Tasmania's unique wildlife.
- A number of award winning wineries including, Strathlyn, Velo, Leaning Church and Janz vineyards; home to Australia's premium sparkling wine.
- Launceston City and its museums, artisan products, preserved heritage streetscapes, and Cataract Gorge.
- Barnbougle Dunes; Australia's number one public golf course and Lost Farm, both offering hire and catering.
- Meet the makers for hands-on experiences at Hillwood Strawberry and Bridestowe Lavender Farms.

### Industry capability

Beauty Point can adequately accommodate 600-800 passengers at a time. Stakeholders suggested that beyond this number; coaches, drivers and guides would need to be sourced outside of the region.

The region has a wide variety of experiences and places to see and would be able to disperse large passenger groups to these places if transport were available.

Tourism stakeholders agree that if cruise ship visitation became more regular with multiple ships per year, it would change the proposition of the tourism industry in terms of planning and capability. Beauty Point's industry and community would require more knowledge about the cruise ship market and operators would need to collaborate and be flexible enough to cope with large numbers in a short period of time. They would also need a further understanding of how they can work within this market and how it would benefit them.

In the past, the Cruise Exchange has provided industry with the opportunity to talk directly to shore excursion managers about potential new product. Stakeholders see this as being beneficial for industry and express a desire for a repeated Cruise Exchange. Stakeholders are also considering a possible expansion of the visitor information volunteer programs in the region to provide authentic, local connections.

## Sentiment

Stakeholders are generally positive about the potential value of cruise ships to Beauty Point and northern Tasmania. There are some concerns about the industry's ability to cope with large ships, and some issues around logistics and ground transport that require addressing.

Stakeholders recognise Beauty Point as having the most immediate potential as a new destination for boutique and expedition cruise ships to Tasmania due to the extensive shore tour options along both sides of the Tamar River, Launceston and surrounds.

## Opportunities

Stakeholders agree that Beauty Point is an ideal port for small to medium vessels, and current growth in this segment in Australia provides an opportunity for Beauty Point to establish itself as a cruise destination. One of the key opportunities identified by stakeholders is to further develop shore tour programs utilising the regions varied experiences and potentially provide hop-on, hop-off style transport, allowing passengers to move around the region at their own pace.

Stakeholders also identified the following opportunities to further develop cruise visitation at Beauty Point:

- Attract cruise passengers as repeat visitors for northern Tasmania, and generate new visitors through positive word of mouth and social media.
- Hold a community market. The market presents an opportunity for connection with the established Harvest Market in Launceston and can be developed as a regular event for cruise ships. A successful community market was held for the L'Austral visit in January this year.

- Offer river cruise tours from Beauty Point or another departure point.
- Offer mobile visitor information resources on the wharf to cater for cruise ships. The Exeter Visitor Information Centre is willing to provide this.
- Cater to independent passengers through small scale boutique independent tour operators.
- Provide amenity for independent passengers with the proposed foreshore walk development which would connect the wharf to the village.
- Provide more offerings for active visitors including bike, kayak and walking tours.
- Offer helicopter tours to Cradle Mountain, Flinders Island and Barnbougle. There is a helipad located 200 metres from the wharf.

## Issues

Stakeholders identified the limited coach and transport capacity within the region as a potential issue for the cruise ship market in Beauty Point. During the season the region's tour coaches are heavily booked on extended tours, therefore, making a large number of coaches available for one day is not economical for local operators.

Stakeholders also identified the following issues:

- The carrying capacity of individual tourism businesses range from around 20-40 people at a time so staggering experiences for the small luxury market would be essential.
- The decentralised nature of the immediate village is a challenge for walk off passengers, but this can be addressed with wharf side markets and the development of the proposed foreshore walk.
- The food and beverage establishments in the region are already busy during peak season and therefore have limited ability to cater for a lot of large groups. This can be alleviated with planning, long lead times and staggered sittings.

## Suitability and potential

Stakeholders consider Beauty Point as a fresh destination for cruise ships. It is attractive to small ships because of its alongside berth, close proximity to Launceston and tourism experiences on both sides of the Tamar River.

The port and destination are very suitable for expedition and small to medium cruise ships. Beauty Point can accommodate the boutique luxury market with adequate dispersal of passengers around the region.



# Flinders Island

## Operations and infrastructure

Flinders Island has two anchorages suitable for cruise ships at Lady Barron and Trousers Point.

Lady Barron is a pilotage zone however the anchorage does not have a size restriction for vessels. It is further than three nautical miles from the tidal jetty, which is a long distance for tender. It can also be quite exposed to southerly weather.

Flinders Island anchorages require a risk assessment by MAST for all cruise vessels to anchor within the pilotage zone.

Trousers Point is a closer anchorage at 1.5 nautical miles to the beach for expedition vessels. This anchorage is also exposed to south westerly weather. There are no landing facilities and it is not a pilotage zone. Trousers Point is located within Strzelecki National Park, and Parks and Wildlife permission for access by passengers is required.

## Arriving cruise ship segmentation

Flinders Island is suitable for expedition vessels and small cruise ships only. Flinders Island has been considered by a number of expedition vessels and there is one vessel, Crystal Endeavor, booked to visit in November 2020 and January 2021.

Crystal Endeavor is a brand new luxury expedition yacht carrying 200 passengers in 98 spacious suites.

These cruises are 14 night Tasmania and New Zealand itineraries.

Other expedition and small cruise lines have previously visited Flinders Island, including Ponant, Orion, Nobel Caledonia and The World. These are all international vessels.

## Destination offer

Flinders Island is located off mainland Tasmania's north-east coast and offers peace and quiet, natural beauty, a welcoming community and local attractions. It is the largest of the Furneaux group of 52 islands and has a range of experiences – from walking long deserted beaches to fishing, diving, fossicking for Killiecrankie diamonds and exploring the rugged pink and grey granite mountain ranges of Strzelecki National Park.

Quality produce abounds with locally grown meats, freshly caught seafood, fresh fruits and vegetables, wines and locally made gin, as well as art and craft made from locally-sourced materials.

## Industry capability

Stakeholders consider Flinders Island as a desirable destination for small ships that value nature based, authentic, small group experiences and exclusive access to makers and producers.

Due to current available resources for planning and service delivery, available vehicles and guides, and the constraints of individual tourism operators, stakeholders determine that there is capability for approximately 100 passengers.

Accommodating visits from expedition vessels is thought to be achievable in terms of service delivery for staggered small groups taking varied routes around the island.

The island has six small buses (8-12 seats), two larger coaches, three school buses and up to ten hire cars. There are also a small number of excellent local guides.

Of the summer months, December is the most suitable month for a cruise ship to visit due to industry capacity and availability. From January to March, operators are busy catering to visitors who stay on average five to seven days and spend significantly more throughout the community.



## Sentiment

Stakeholders are positive towards accommodating groups of up to approximately 100 passengers, however groups exceeding this amount would present significant obstacles due to industry capability and capacity. Tourism operators are also concerned that cruise ship visits may coincide with peak season when they have limited availability.

Stakeholders highlight that free and independent travellers (FIT) from NSW and VIC (not cruise passengers) stay longer than a few days and are the priority market for growth for Flinders Island. These travellers also support a vital air link to the island.

Other concerns raised were the time, effort and investment required to cater to large numbers of cruise passengers, with no guarantee on the level of return for those resources.

Stakeholders agree that developing some ready-made signature experiences would streamline the coordination required and generate a higher yield.

## Opportunities

Stakeholders determined that expedition vessels present an opportunity for Flinders Island. Shore product for small groups is desirable for this segment.

Stakeholders identified the following small group tour opportunities:

- guided history tours – Flinders Island's unique history can be experienced at the abandoned settlement of Wybalenna, in the nearby museum where the story of the Sydney Cove is found, at Walkers lookout and in Whitemark.
- Guided walks to see birds or wildlife.
- Shorts walks – Trousers Point & Strzelecki Peaks.
- Flinders Island food experience – crayfish on the beach (maximum numbers and cancellation fees would apply).
- Farm and paddock to plate tours.
- Scenic flights & heli-tours.
- Fishing (capacity for two groups of eight passengers).
- Wombat cuddling/interpretation.
- Heli-tours for passengers who are on cruises berthed at Beauty Point.

The capacity for cafes and retail on Flinders Island is quite low, however stakeholders see the benefit of placing an ambassador on board the ship prior to arrival to connect passengers with the island's produce and stories. There is also opportunity to market Flinders Island to domestic cruise passengers to encourage repeat visitation.

## Issues

The review identified the following issues:

- Limited peak season capacity. As the FIT market grows, operators have less capacity to service cruise ship visits.
- Risk of cancellation is relatively high due to the nature of the ocean and position of Flinders Island. Cancellations in the past have been difficult, with costs borne by the Island.
- There are only two unisex toilets at Trousers Point and these are already operating at capacity.
- The majority of expedition vessel passengers are international guests who are least likely to return to Flinders Island on holiday.

## Suitability and potential

Stakeholders consider Flinders Island as a suitable anchorage for expedition cruises, which come to Tasmania sporadically. Cruise ships are not seen as the highest priority market for the island and with only 100 passengers on tour, the potential for economic return is minimal.



Baby Wombat (*Vombatus ursinus*) © Sean Scott



## Stanley Anchorage

### Operations and infrastructure

Stanley Port is a pilotage zone for all cruise ship vessels.

There is allowance for vessels up to 70 metres LOA and a maximum draft of 5.5 metres to berth alongside. The anchorage can accommodate vessels up to 220 metres LOA at a distance of 1.4 nautical miles from the landing.

The landing facilities include a public boat ramp and private pontoon, which can be used with prior permission and consultation with the owner, and TasPorts.

Stanley anchorage can be quite exposed to easterly winds and MAST require a risk assessment for all cruise vessels planning to anchor within the pilotage zone.

### Arriving cruise ship segmentation

The marine infrastructure and conditions make Stanley suitable for expedition vessels and small cruise ships only.

Stanley has no current visitation from cruise ships, although it has been considered by a number of expedition vessels.

There are also a number of vessels under 220 metres visiting Burnie in 2017-18 that have potential to anchor at Stanley, however the propensity for this group to visit on a regular basis is likely to be low, but has not been tested.



Blue Hills Honey © Rob Burnett

### Destination offer

Stanley is a town of colonial buildings, cafes and locally made arts and craft stores. It is close to some great nature experiences and Tasmania's Tarkine wilderness.

Stanley is home to the Nut, an immense flat topped, volcanic plug rising 150 metres straight up from the water's edge. Visitors can climb the winding path to the Nut's plateau for a spectacular 360-degree view, and for a less strenuous trip, they can take the open chairlift ride and look for seals basking in the sun. At night, the local penguins can be seen coming in to nest.

Many historic properties in Stanley have been restored and now operate as cafes, shops and accommodation. There is a history tour through Stanley's streets, lined with quaint stone cottages dating back to the town's early days when it hosted the headquarters of the Van Diemen's Land Company.

The coastal Rocky Cape National Park is a short trip east, and the temperate rainforests of the Tarkine wilderness and Savage River National Park are both within a one-hour drive.

Other local highlights include;

- The Nut State Reserve,
- Highfield Historic Site,
- Stanley Village,
- Stanley Seal Cruises and Charters,
- Blue Hills Honey Farm,
- Scenic flights and heli-tours,
- Coastal cruises departing from Stanley wharf,
- Dip Falls Reserve, and
- Tarkine Forest Adventures at Dismal Swamp.

## Industry capability

Stanley's tourism industry is made up of small businesses, and passenger transport is limited in the area. Stanley is an appropriate destination for expedition vessels of 100-200 passengers. Industry can accommodate for these passengers if they tour the area in small groups. They can offer staggered lunches, varied routes through the Tarkine, and a number of other experiences outside of the town.

Due to the significant disruptive announcements made by major employer Murray Goulburn in 2017, the Tasmanian Government is working to transition the regional community to adapt to the changing circumstances. Building the adaptive capacity, diversification and economic development of Circular Head is a priority for the region. Tourism is one of the economic areas providing opportunities and significant investment has been made in building industry capability through dedicated training and support for tourism operators or speculators.

## Sentiment

Stakeholders are uncertain how they would accommodate cruise ship visits of 500 to 600 passengers due to limited infrastructure and industry capability. They also noted that cruise groups larger than 600 passengers would present significant challenges. They are however, positive towards considering how they could cater to the small ship market.

Stakeholders agree that the collective cooperation of Stanley's industry and community is reliant on the time and effort they are willing to contribute. They also stated that catering for one small expedition vessel would require a significant amount of planning and effort, and generating a significant yield from one visit would be difficult. Several vessels over the season, using essentially the same planning and resources, would help provide the economies of scale required.

Due to high winds and varied weather conditions at Stanley anchorage, scheduled cruise ship visits are at high risk of cancellation. For this reason, stakeholders prefer to utilise scarce resources to work with the relevant companies to grow the number of day trips from passengers on cruises docked at Burnie.

## Opportunities

Stakeholders agree that Stanley's most significant opportunity is to draw more tour visitors from cruise ships docked at Burnie. There are a number of attractive itinerary options around the region and Stanley tourism operators are keen to work with shore excursion operators to include these in Burnie cruise programs.

Stakeholders also identified the following opportunities:

- Build capability in local businesses to be able to cater to groups. For example, food experiences such as paddock to plate and farm visits.
- Offer guided short walks in nearby picturesque areas.
- Offer heritage based experiences such as tours to Woolnorth.
- Connect existing tours and experiences, eliminating the need to develop and invest in new product.
- Place a product ambassador on board ships prior to arrival to share stories of Stanley, creating a connection with passengers.
- Provide a shuttle bus around Stanley.
- Showcase crafts and retail near the port in fine weather.
- Develop volunteer run services for cruise ship passengers.

## Issues

Stakeholders identified the following issues:

- Some businesses in Stanley have limited trading hours, therefore limiting experiences for cruise passengers.
- There are no taxis or hire cars in Stanley which limits independent tour offerings. Passenger expectations would therefore need to be managed.
- If businesses were to develop to cater for cruise ships visits, they would also need to be sustainable year-round.
- The visitor's centre is outside the town centre so a cruise ship visit may require a mobile visitor information centre or shuttle to the centre.

## Suitability and potential

Stakeholders consider Stanley and surrounding areas as suitable destinations for day tours from cruise ship passengers berthing in Burnie. It is thought that this would offer Stanley the most potential for growth.

Stanley is also a desirable destination for small ships that value nature based, authentic, small group experiences and exclusive access to local makers and producers. Stakeholders recommend that Stanley focus on attracting passengers from expedition cruises which come to Tasmania sporadically.



Cape Wickham Golf Course

## King Island Anchorage

### Operations and infrastructure

King Island has a number of anchorages and an alongside port off Grassy. This is a pilotage zone however ships up to 90 metres LOA are able to come alongside if they have a twin screw and bow thruster.

There is also an anchorage off Grassy and at Sea Elephant Bay. The anchorages allow vessels up to 220 metres LOA at 1.5 nautical miles from the landing point for tender vessels. These anchorages are within a Pilotage zone.

King Island anchorages can be exposed to southerly weather conditions and a risk assessment is required by MAST for all cruise vessels to anchor within the pilotage zone.

### Arriving cruise ship segmentation

The marine infrastructure and conditions make King Island suitable for expedition vessels and small cruise ships only. King Island has been considered by a number of expedition vessels and one vessel, Ponant's L'Austral, visited in January 2018.

The 100 passenger, Caledonia Sky is also scheduled to visit in November 2019.

### Destination offer

King Island lies off the north-west coast of Tasmania. The island is surrounded by rugged coastline and is full of fresh seafood, famous premium produce and some of the cleanest air in the world.

Local highlights include:

- the Museum and Cultural Centre in the town of Currie showcasing the island's history of shipwreck salvage, agriculture and fishing, in a sleepy seaside village atmosphere.
- Currie Lighthouse, built in the 1870s to prevent shipwrecks in a dangerous stretch of water known as the Eye of the Needle.

- Seal Rocks State Reserve has stunning cliffs and calcified forests to explore.
- King Island Dairy – one of Australia's most famous cheese producers.
- Diverse wildlife including penguins, platypus and the wetland bird habitats at Lavinia Nature Reserve.
- Cape Wickham and Ocean Dunes – two of the world's best golf courses.

### Industry capability

King Island is a desirable destination for small ships that value nature based authentic small group experiences and exclusive access to makers and producers.

Currently the island's capacity for organisation and mobility for cruise ships is limited however accommodating visits from expedition vessels of up to 200 passengers is thought to be an achievable target in terms of service delivery for small groups offering staggered lunches, and varied routes around the island.

Capability for more than 200 passengers is restricted by limited resources available for planning service delivery and limited coach and visitor transport options.

Building adaptive capacity, diversification and economic development is a priority for King Island. Tourism is one of the economic areas providing opportunities in the region and golf tourism has been a catalyst for growth, although this visitor segment do not disperse widely around the island.

### Sentiment

Stakeholders are generally positive towards accommodating groups of approximately 200 cruise passengers, however groups exceeding this amount present significant challenges due to industry capability and capacity.

Stakeholders agree that resources would be needed to coordinate the industry, along with training and product planning for tourism operators and investors. Stakeholders also see the cruise market as an opportunity for businesses to showcase the island to a variety of visitors, not just golfers.

Stakeholders do not however view visits from cruise ships as a priority for development. They are currently focussed on growing yield from golf tourism and general tourism. They see this as critical to enabling operators to develop capability for large groups. Other concerns expressed by the group in regards to catering for the cruise market were the time, effort and investment required with no guarantee on the level of return.

The Council did not see tourism coordination and logistics as their role, and having someone to fulfil this was a key concern for the group.

## Opportunities

Stakeholders identified industry education on planning for cruise ships as the number one opportunity.

Expedition ships value small groups and personalised engagements, and King Island has the potential to cater for this market. Stakeholders suggested that to enable this, industry would require advice on how to deliver multiple staggered tour options with a limited number of passengers per vehicle. Large coaches and big group venues are not a fit for this market.

With some assistance, tourism operators would look to pitch high end tours to passengers berthed at Burnie such as;

- fixed wing plane tours,
- golf tours,
- farm and paddock to plate tours,
- 4WD adventure tours,
- walking tours,
- fishing tours, and
- platypus tours.

Other product development opportunities identified by stakeholders were:

- Alternate port options – the key TasPorts anchorage is off Grassy, but both Currie and Naracoopa were mentioned as alternate weather positions. At Currie, passengers would be able to walk to the village however, this is not possible at Grassy.
- Connect passengers with the island's produce and stories prior to arrival with an on-board ambassador.
- Arrange a temporary space with crafts and retail activity near the port in fine weather.

## Issues

Stakeholders note that one of the key issues for King Island is being able to mobilise a combined effort to cater to several hundred passengers at one time. The tourism industry engagement is low, and somewhat fragmented. Tourism operators lack resources, available time and willingness to plan and cooperate.

Stakeholders also identified the following issues:

- Coach capacity is limited – the school run and golf transfers are the priority for coaches.
- Industry capability and coordination for a cruise visit is limited due to lack of resources.
- There are limitations in offering independent tours due to there being no taxis or hire cars. Passenger expectations would therefore need to be managed.
- There is no visitors centre or volunteer program on the island.
- It is a challenge to achieve economies of scale to justify the effort in catering to cruise ships. Currently the return from golf tourism is quite low even with the increase in visitors (with the exception of the local employment).
- King Island has biosecurity resourcing limits, preventing King Island Cheese factory from running tours. These regulations may also affect farmer's ability to offer paddock to plate tours and public liability costs could be an issue.
- The island reports zero unemployment and there are no further human resources available. People already have multiple jobs and there is limited housing available for new people. Due to the cost of flights, fly-in fly-out is not seen as a solution to this.
- Risk of cancellation is relatively high due to the nature of the ocean and position of King Island.

## Suitability and potential

Stakeholders consider King Island anchorage as a suitable destination for expedition cruises of up to 200 passengers if the tourism industry is willing and able to mobilise for a visit. Expedition vessels come to Tasmania sporadically, and are not seen as the highest priority for tourism development on the Island.

Stakeholders state that overall, tourism industry development and capability for growth in FIT and golf visitors are the focus for King Island, not cruise ships.

# Appendix I

## Tasmanian Cruise Ship Passenger Survey

December 2016 – April 2017

### Introduction

The 2016-17 Tasmanian Cruise Ship Survey was conducted from December 2016 to April 2017. The aim of the project was to build a profile of holiday makers who arrive by cruise ship including information on their expenditure, origin and activities undertaken while onshore as well as their overall experience, social media habits and propensity to visit Tasmania again.

Overall, cruise ship visits, passenger and crew numbers and expenditure for the season have grown considerably, by approximately 45 per cent, well ahead of the national growth rates of 21 per cent.

### Survey Approach

The research involved face to face interviews with cruise ship passengers and crew after they had completed their onshore visit. The interviews were conducted at cruise ship terminals in Hobart, Port Arthur and Burnie.

Over 1 000 passengers and crew were interviewed, comprising approximately 50 respondents for each of 19 selected cruise ships visiting Tasmania in 2016-17. This included a minimum of 100 crew members, representing 10 per cent of the total sample.

	Total	Burnie	Hobart	Port Arthur
Passengers	942	181	505	256
Crew	139	21	82	36
	1081	202	587	292

At each port, cruise ships were selected to provide a representative sample of total cruise ship visitation to the State for the 2016-17 season.

The sample took into account the ship profile, port visited (Hobart, Port Arthur and Burnie) and time of visit.



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## Findings

- A total of 236 794 cruise ship visitor days were spent in Tasmania during the 2016-17 cruise season (166 351 passenger days and 70 443 crew days).
- This represents an increase of 45 per cent on the previous season of 163 238 cruise ship visitor days.
- Direct on-shore passenger and crew expenditure of the season is estimated to total \$25.14 million over the season. This is made up of a \$22.46 million passenger spend and a further \$2.68 million spent onshore by the crew.
- A total of 95 port calls were made across the season, including 49 in Hobart, 17 in Burnie, 22 in Port Arthur, 6 in Wineglass Bay and 1 on Flinders Island.
- At the time of the survey, 138 port calls had been booked for the 2017-18 season.



Hellyers Road Distillery



- The average number of passengers per ship was 1 751, down from 1 975 the previous year. This was influenced by an increase in visits of the sub-1 000 passenger luxury class ships.
- Almost 68 per cent of passengers and 44 per cent of crew members were visiting Tasmania for the first time. This percentage was higher for passengers at Burnie (71 per cent) and Hobart (76 per cent).
- Around 50 per cent of passengers surveyed at Port Arthur were on their first visit to the state.
- Most international passengers (84 per cent) spent additional nights in Australia before or after their cruise. The average number of extra nights these passengers spent in Australia before or after their cruise was 4.5 nights.
- One out of every six domestic passengers reported spending additional nights away from home. Those that did, spent on average an extra 2.4 nights away from home.



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### Demographic

- Passengers were more likely to be female (61 per cent of total) and crew were more likely to be male (80 per cent).
- The average age of passengers was 59 years and 34 years for crew.
- The average age of international passengers was 62 years, with 85 per cent being aged 50 years and over.
- The average age of Australian passengers was 55 years, with 34 per cent being aged under 50 years.
- The number of Australian and overseas passengers on the cruises were evenly split, however there were differences between the three main ports. See *table below*.
- The survey showed that the majority (61 per cent) of international passengers at Burnie were from the USA. Forty-four per cent of international passengers at Hobart were also from the USA. Germany and the UK comprised 12 per cent of international passengers.



- The majority (66 per cent) of Australian passengers at Hobart were from NSW. Eighty per cent of the Australian passengers at Port Arthur came from NSW and Victoria.
- Most crew members (94 per cent) were from overseas, with one in three from the Philippines.
- The average group size for Australians travelling on a cruise ship was 3.7 people, compared with 2.8 for international passengers. A large number of intergenerational groups were observed.
- The average travel group size varied across the ports; Port Arthur (3.9 people), Hobart (3.2 people) and Burnie (2 people).

	Total passengers (%)	Burnie (%)	Hobart (%)	Port Arthur (%)
Australian passengers	49.6	26.5	37.8	89.1
Overseas passengers	50.4	73.5	62.2	10.9



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## Spending Ashore

	Average spend ashore (\$)
Burnie Passengers	138
Hobart Passengers	172
Port Arthur Passengers	106
Australian Passengers	117
International Passengers	164
TOTAL Passengers	140
TOTAL Crew	42

(Average spend is calculated by dividing the total spend on food/drink, shopping, tours, entertainment and transport by the total number of respondents within each passenger segment above)



Launceston City Centre

## Tours

- Around 43 per cent of cruise passengers participated in an organised tour while they were in port. This participation rate varied between ports.

Participated in organised tour	% of Total Passengers	% at Burnie	% at Hobart	% at Port Arthur
Yes	43	60	45	29
No	57	40	55	71

- Even though just 29 per cent of Port Arthur passengers reported going on an organised tour, site entry to the Port Arthur Historic Site was included in their cruise fare.
- Of those who participated in an organised tour ashore, the most popular tour destinations for each port were:

Burnie	%
Wings Wildlife Park	50
3-hour Burnie highlights tour	14
Devonport highlights tour	13
Gunns Plains tour	12
Penguin	12
Hobart	%
Hobart City Tour	31
Bonorong Wildlife Park	30
Richmond	20
kunanyi / Mt Wellington	17
Port Arthur	%
Lavender Park	27
Behind the scenes at Port Arthur	25
Region/ geological features	23
Other Port Arthur tours	17



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### Activities

- The main type of activities undertaken ashore by cruise ship passengers were:

Activity	%
Sight-seeing on foot	63
Visiting a historic site or attraction	42
Dining at a local restaurant or cafe	37
Shopping in the city centre	30
Using wireless internet	27
Shopping for other items/supplies	27
Visiting museums	26
Buying Tasmanian art/craft	23

### Social Media

- Half of all passengers said they expected to or had already shared their shore experience in Tasmania on social media. This result was similar across the three ports.
- Seventy per cent of crew members said they expected to or had already shared their experience on social media.



### Visitor Experience

- The overall shore-based experience rated very highly at each port for both passengers and crew – with all respondents rating their experience above 90 per cent positive.
- A total of 48 per cent of passengers and 57 per cent of crew were unable to nominate any area for improvement.
- For those that did, the main issue identified by passengers and crew was the available time onshore.

### Propensity for return visit

- Around half of the passengers expect to return to Tasmania for a holiday. This percentage was higher for Australian passengers (76 per cent).
- Approximately 23 per cent of international passengers expect to return to the state for a holiday in the future, with a further 35 per cent unsure.
- Port Arthur recorded a higher propensity for return visits due to their higher Australian passenger numbers. Burnie recorded a lower propensity for return visits due to their higher international passenger numbers.
- Of those passengers who expect to return to Tasmania, 53 per cent indicated they expect to do so within the next two years.

## Survey Methodology

The survey was conducted by Myriad Research for Tourism Tasmania in partnership with the Australian Cruise Association, Hobart City Council, Burnie City Council and the Port Arthur Historic Site Management Authority.

The research for the 2016-17 cruise ship season was designed to provide timely, relevant and statistically robust feedback from cruise ship passengers and crew in relation to their onshore experience, activities, spend and likelihood to return to the State.

Cruise ships were selected for the survey to provide a representative sample of the total cruise ship visits to Tasmania (95 ships) during the 2016-17 cruise season.

The sample took into account the ship profile, port visited (Hobart, Port Arthur and Burnie) and time of visit, and excluded visits where the onshore experience would be likely affected by major events, festivals, public holidays and overnight stays.

The survey was based on Tourism Tasmania's 2012-13 questionnaire. Further input was provided by survey partners and research consultants to maximise engagement with respondents.

The survey was programmed and hosted by Decibel Research and conducted by Myriad Research interviewers via face to face random intercept interviewing (next available person) at approved locations within the cruise ship terminal precincts using CAPI enabled iPads.

All fieldwork was completed in accordance with the relevant quality assurance and privacy protocols for face to face survey – ISO 20252 and the AMSRO Privacy Code.

Whilst personal information wasn't collected at the interview, the QA and privacy protocols ensure that all survey responses were treated in a strictly confidential manner at all stages of the research process;

The last major survey of cruise ship passengers to Tasmania was conducted by Roy Morgan Research for Tourism Tasmania in 2012-13.

Total passenger and crew numbers were obtained from Tasmanian Ports Corporation (TasPorts). These totals were used to 'weight' the sampled interviews to the total number of passengers. Passengers who stayed aboard ship were not captured by this survey.

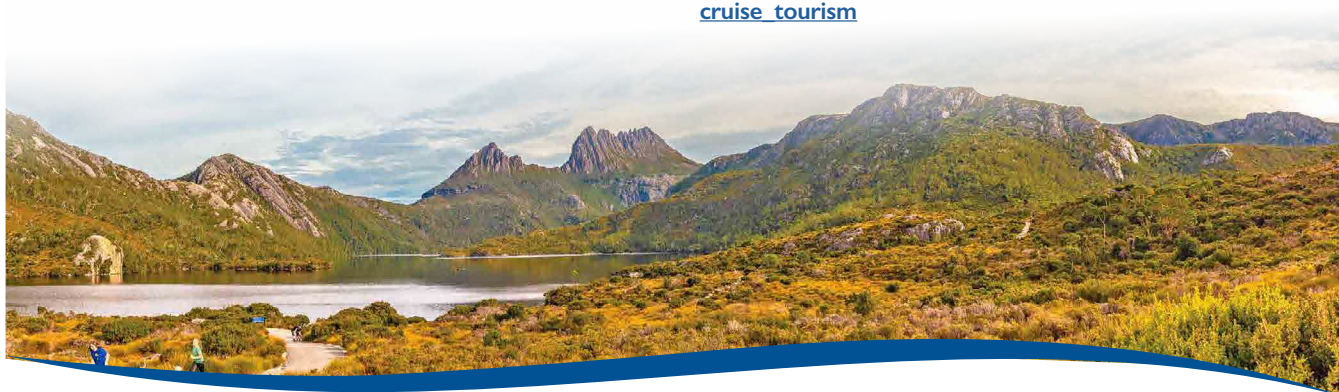
Visitor numbers quoted represent all passengers and crew that arrived on each ship at each port. No adjustment has been made for the small number of visitors that did not go ashore. Therefore the total expenditure is based on all passengers going ashore and is likely to over-estimate the actual total expenditure.

The expenditure estimates only include spending on shore by the passengers themselves. This includes organised tours that are pre-paid, paid for on the day or on board the ship before it arrives in port. Some visitors pay for organised tours as an inclusion of their cruise these are not included in this report. Expenditure estimates do not include providing, fuel, port charges or other charges incurred by the owners of the vessels or organised tours included in the overall cruise packages.

**For further information about this survey or other research services please contact:**

[statistics@tourism.tas.gov.au](mailto:statistics@tourism.tas.gov.au)

**For further information about cruise ship tourism please go to:** [www.tourismtasmania.com.au/industry/cruise\\_tourism](http://www.tourismtasmania.com.au/industry/cruise_tourism)



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# Appendix 2

## Cruise Consumer Segmentation

Source: Australian Cruise Association – AEC Group segmentation

Segment	Description	Demand for Cruises
		Generally
New Horizons	Includes couples that take several trips a year and generally have relatively high disposable incomes. The segment is comprised primarily of older couples that are empty nesters and/or retirees. Education and social causes are important to them as well as making friends and socialising. This group is willing to pay for quality and also represents a strong growth opportunity as more baby boomer couples become empty nesters and retirees.	This segment likes to take longer, exotic and cultural learning cruises. More suited to smaller expedition cruises (that can access remote locations) rather than mega ships that can only berth at large ports.
Cruise Enthusiasts	This group comprises couples that are cruise enthusiasts and have taken numerous cruises over many years. They generally have a preferred cruise provider and seek a traditional experience. They tend to ritualise their travel experience and don't usually experiment. The group is a key segment for the industry and they tend to be older and a good, loyal customer base but offer less opportunity for growth.	The segment likes to take more traditional cruises on larger vessels that visit several cities. Represents a major market segment for mega cruises.
Adventurers	This segment is generally comprised of upscale, motivated and active young professionals. They are likely to undertake activities such as snorkelling, para-sailing, surfing and rock climbing. They are always looking for new and better destinations and holidays.	Likely to take shorter cruises in popular tourism destinations that allow them to spend more time off the boat undertaking activities. More suited to smaller vessels rather than mega ships.
Busy Families	This segment is made up of upper middle class families that are looking for a family holiday to maximise time together. Generally likely to be larger families with two working parents. This is not a big cruising segment and more likely to take trips such as beach holidays.	A growing segment for the mega cruise sector with families taking cruises likely to choose larger vessels with a greater range of on-board activities for both children and adults.
Relaxers	This is a core segment of the cruise market and comprises people that are just looking to get away. They generally have a busy lifestyle with a career and just want to take a relaxing holiday where they can sit by the pool and see a few sites. Like to take all-inclusive cruises where everything is taken care for them. They are somewhat price sensitive but will always find the money for their holidays.	Likely to take relatively longer cruises in popular tourism destinations on larger vessels where they can sit back and relax and utilise the amenities on board such as pools etc. Represents a major market segment for mega cruises.
Leisure Tourist	This group involves people that whose lifestyle is not as busy as relaxers and don't regard their job as very important. These people have very different holiday desires and will generally take different holidays. Not a major cruise segment and tend to take a cruise vacation only when there is a cheap deal that they have heard about.	Not a major cruise segment though will take a mega cruise if they think it is value for money.
Budget	Working class couples and families that are disconnected from travel commerce. Not curious about what's going on in the world and not likely to possess a high disposable income. This segment is a very small cruise segment and more likely to take drive holidays to nearby holiday homes.	A very small cruise segment. Members may occasionally take cruises, though are likely to be on larger vessels (rather than expedition vessels) with a tropical destination.

# Appendix 3

## Arriving cruise ship segmentation 2017 - 18

Port	Mega ships 3000 + Passengers	Large 1000 – 3000 Passengers	Small luxury Under 1000 Passengers
Hobart	6 x Royal Caribbean (Ovation, Explorer, Radiance)	6 x Carnival Aus. (Legend & Spirit) 14 x Princess (Diamond, Golden, Sun, Sea) 9 x HAL (Noordam, Maasdam) 11 x P&O (Eden, Explorer, Jewel) 3 x Celebrity Solstice 2 x Norwegian Jewel (2800) 1 x Ocean Dream	1 x Amsterdam (1200) 2 x Astor 1 x Azamara Journey 2 x Silver Shadow 1 x Crystal Symphony
Burnie		5 x Norwegian Jewel (2800) 8 x P&O (Eden & Jewel, Princess) 4 x Princess (Sun & Sea) 4 x HAL (Noordam, Maasdam)	3 x Regatta 1 x Pacific Princess 2 x Astor 1 x Crystal Symphony 1 x Europa 1 x Insignia 1 x Silver Whisper
Port Arthur		5 x Carnival (Legend & Spirit) 8 x Princess (Diamond, Golden, Sun) 3 x HAL (Noordam & Maasdam) 9 x P&O (Eden, Jewel, Explorer)	1 x Astor
Wineglass Bay		6 x Princess (Golden & Diamond) 1 x Pacific Eden	1 x Ponant (+ Beauty Point & King Island)



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