



CRUISE LINES INTERNATIONAL ASSOCIATION
AUSTRALASIA

CRUISE INDUSTRY
SOURCE MARKET REPORT
Ocean Cruise Passengers
Australia 2016



CLIA Global and Australasia Regional Ocean Cruise Line Members



This report is based on 2016 calendar year passenger statistics provided by CLIA's ocean cruise line members, representing over 95% of the global cruise industry. The research is based on a methodology that is used in similar studies around the world. The consistency of approach facilitates comparisons with other major cruise markets.

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Established in 1975, Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment and is dedicated to promoting the cruise travel experience.

CLIA's Mission:

CLIA is the unified global organization that helps its members succeed by advocating, educating and promoting for the common interests of the cruise community.

CLIA represents the interests of three critically important members:

- 60 Cruise Line Members – From ocean to river to specialty cruise ships, CLIA member lines represent more than 95 per cent of global cruise capacity.
- 300 Executive Partner Members – As key suppliers and partners to the cruise lines, executive partners play a major role in the successful operation of cruising, including ports & destinations, ship development, suppliers and business services.
- 15,000 Global Travel Agency and 25,000 Travel Agent Members – Our travel agency members include the largest agencies, hosts, franchises and consortia in the world.
- CLIA Cruise Line Members serve more than 24 million passengers annually.

EXECUTIVE SUMMARY

Australia's cruise industry continues its growth trajectory hitting record highs in 2016, with annual ocean cruise passenger numbers surging by 21 per cent to a record 1,281,159.

The result positions Australia at the top of the global cruise industry for market penetration once again, with an unprecedented equivalent of 5.3 per cent of Australians taking an ocean cruise in 2016, up from 4.5 per cent the previous year. The nation moved up into third position for market growth, reinforcing its reputation as one of the world's most exciting source markets.

The 2016 result maintains more than a decade-long trend of double digit growth for the Australian cruise industry, with Australian ocean cruise passenger numbers increasing by an annual average of 19.4 per cent since 2007.

Key Findings:

- Australian ocean cruise passenger numbers increased by 222,378 - the largest rise in passenger numbers on record, rising 21 per cent to 1,281,159 ocean cruise passengers from 1,058,781 in 2015
- Australia maintains its position as the cruise market with the highest population penetration, with the equivalent of 5.3 per cent of the Australian population taking a cruise
- Australia's growth rate of 21 per cent was surpassed only by the emerging market of China, and then New Zealand - albeit a much smaller market. Australia once again performed well ahead of established markets such as Germany (11.3 per cent growth), UK and Ireland (5.6 per cent growth) and USA/Canada (5.7 per cent growth)
- Domestic cruising continues to surge fuelling the growth of Australian passenger numbers, with local cruisers growing by 23.4 per cent from 269,915 in 2015 to 332,979 in 2016.
- The South Pacific maintained its position as Australia's favourite cruise destination attracting more than 42 per cent of ocean cruise passengers (542,825)
- New Zealand pulled ahead of Europe in 2016 as Australia's third most popular destination overall, attracting 8.3 per cent of passengers (106,737)
- While Alaska saw a 25.5 per cent increase (41,084), other long-haul fly-cruise destinations experienced a fall in 2016, with Europe falling by 11.8 per cent and Asia by 10.1 per cent
- Short break cruises of four days or less leapt in popularity, growing by 59.7 per cent in 2016, while cruises of 22+ days rose by more than 20 per cent
- The majority (89.3 per cent) of all Australians cruising in 2016 took a cruise of 14 days or less
- Australians spent an estimated 12 million days at sea in 2016, with an average ocean cruise length of 9.4 days
- Australia was the fifth largest source market in the world in 2016 accounting for 5.2 per cent of global cruise passengers



1,281,159
Australian Ocean
Cruise Passengers

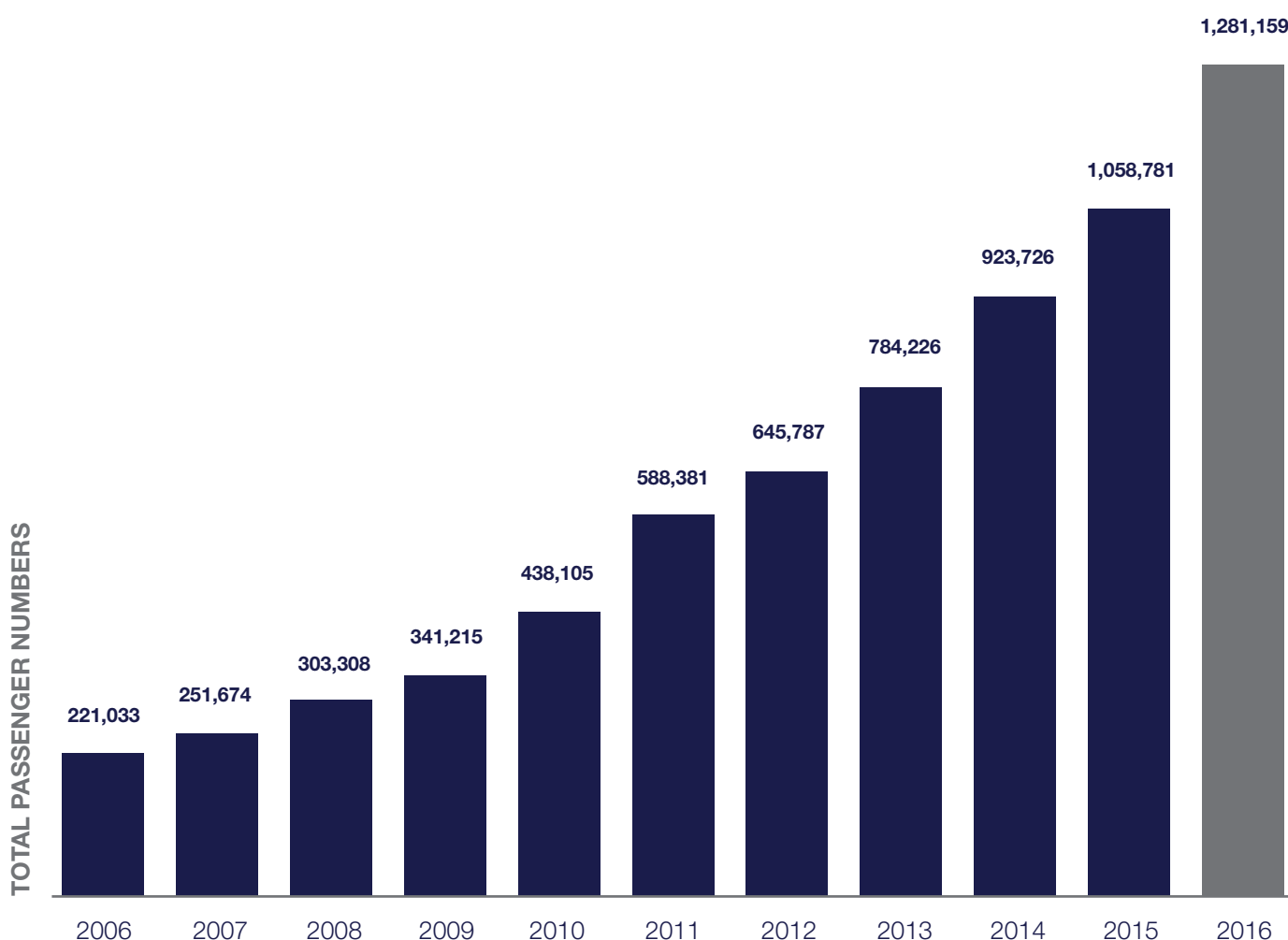
TOTAL PASSENGER NUMBERS

The number of Australians taking an ocean cruise reached a new record of 1,281,159 in 2016, with the 21 per cent increase over 2015 figures continuing a twelve-year run of strong double digit growth.

In total, ocean cruise numbers increased by 222,378 from 2015 to 2016 - the largest rise in real numbers on record.

An analysis of ocean cruise passenger numbers over the past 10 years shows a strong growth trend, with numbers rising by an average of 19.4 per cent a year since 2007. As the pace of growth continues, the number of Australian ocean cruise passengers has more than quadrupled since 2008, and almost doubled in the past five years.

To reach an industry target of two million ocean cruise passengers in 2020 will now require an average annual growth rate of 11.8 per cent over the next five years.



WORLD PERSPECTIVE

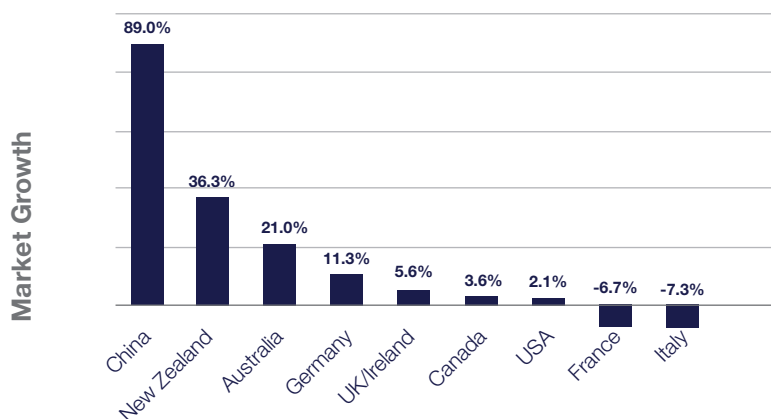
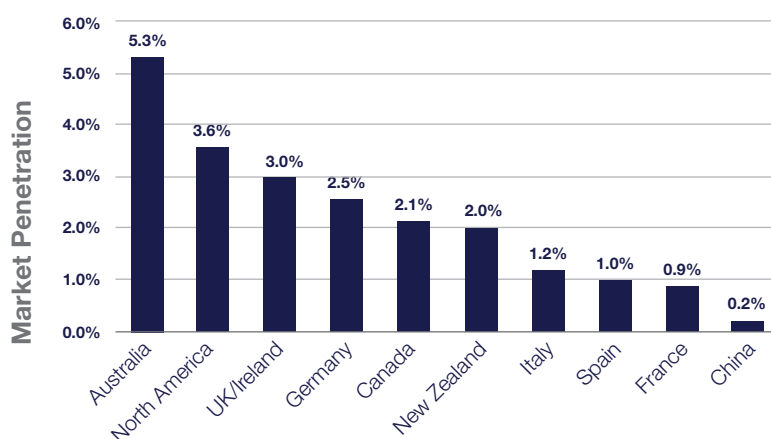
Australia's ocean cruise passenger numbers continued their strong growth trajectory and once again recorded the highest market penetration rate in the world, with the equivalent of 5.3 per cent of Australians taking an ocean cruise in 2016, up from 4.5 per cent last year.

Australia remains the only country to have achieved a penetration rate of more than 4 per cent, with the well-established United States market ranking second in 2016 with 3.6 per cent market penetration. Meanwhile UK and Ireland achieved 2.9 per cent, Germany 2.5 per cent and Canada 2.1 per cent.

Australia's growth rate of 21 per cent was the third highest for a key source market in 2016, positioned behind the emerging China market which achieved a growth rate of 89 per cent, and New Zealand which achieved an unprecedented 36.3 per cent as a result of the extra capacity in the market.

The world's largest cruise market, the United States, recorded 2.1 per cent growth in 2016, while the UK and Ireland achieved a passenger growth rate of 5.6 per cent. Meanwhile Germany saw an 11.3 per cent increase in its cruise passenger numbers. France and Italy fell 6.7 per cent and 7.3 per cent respectively. In absolute numbers Australia's growth of 222,378 passengers was only exceeded by China and the United States.

Across the world, 24.6 million people took a cruise in 2016, positioning Australia as the fifth largest cruise market accounting for 5.2 per cent of the world's cruisers up from 4.6 per cent in 2015.



KEY DESTINATIONS

2016 revealed some interesting new trends in ocean cruising as Australians responded to growing capacity and fresh itinerary offerings locally.

Of particular note, the expanding range of domestic and regional cruise options prompted a 30.2 per cent surge in Australian passengers choosing to cruise close to home in Australia, NZ and the South Pacific (982,541). This accounted for 76.7 per cent of Australian cruise passengers in 2016, up from 71.3 per cent in 2015.

Overall, the South Pacific remains the nation's most popular destination drawing 42.4 per cent of Australian cruisers (542,825), followed by Australia's share at 26.0 per cent (332,979).

Long-haul fly-cruise destinations, apart from Alaska, generally experienced a decline in 2016, largely reflecting the impact of geo-political events, with Europe and the Med falling by 11.8 per cent to 89,427 and Asia by 10.1 per cent to 85,374.

Alaska, a long-standing favourite with Australians saw a 25.5 per cent increase (41,084) in Australian passengers.

World Cruises, although only accounting for 1.5 per cent of the Australian market, surged by 82.9 per cent to 19,636 cruisers, with additional capacity allocated to this market reflecting the increased interest in world cruise itineraries.

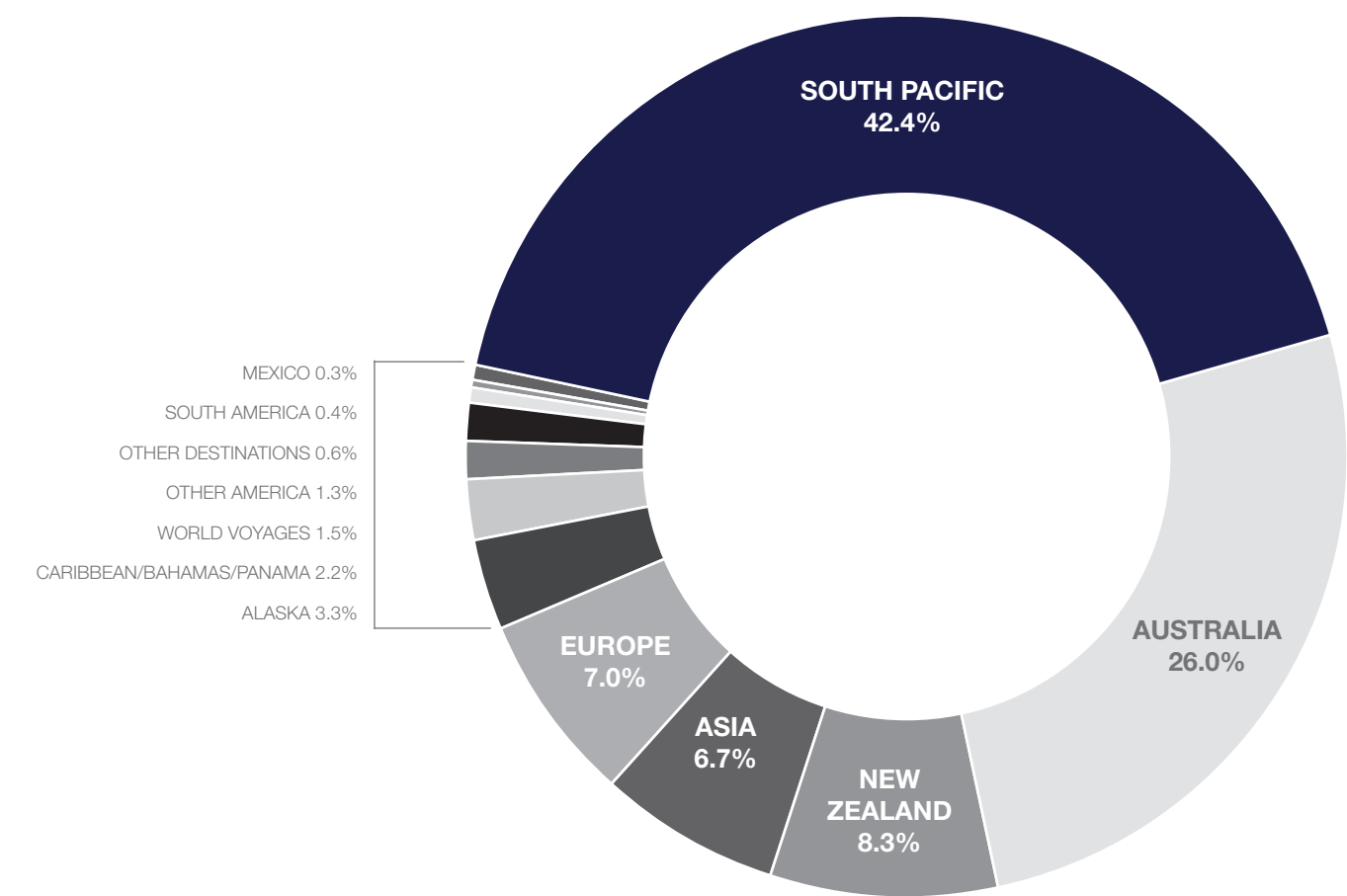
Notwithstanding the decline in travellers to Europe, it remained the leading long haul destination, with Northern European and Mediterranean cruise options accounting for 7.0 per cent of the market, matched closely by Asia drawing 6.7 per cent.

The appeal of the Caribbean, Bahamas and Panama region remained constant (up 0.5 per cent).

PASSENGER GROWTH PER DESTINATION

Cruise Region	2015	2016	Variance
WORLD VOYAGES	10,737	19,636	82.9%
SOUTH PACIFIC	383,889	542,825	41.4%
ALASKA	33,315	41,804	25.5%
AUSTRALIA	269,915	332,979	23.4%
SOUTH AMERICA	5,289	5,709	7.9%
NEW ZEALAND	100,642	106,737	6.1%
CARIBBEAN/BAHAMAS/PANAMA	28,099	28,228	0.5%
OTHER AMERICA	17,226	16,634	-3.4%
MEXICO	4,129	3,889	-5.8%
MEDITERRANEAN	71,459	65,778	-7.9%
ASIA	95,016	85,374	-10.1%
OTHER DESTINATIONS	9,105	7,916	-13.1%
NORTHERN EUROPE	29,960	23,649	-21.1%
TOTAL	1,058,781	1,281,159	21.0%

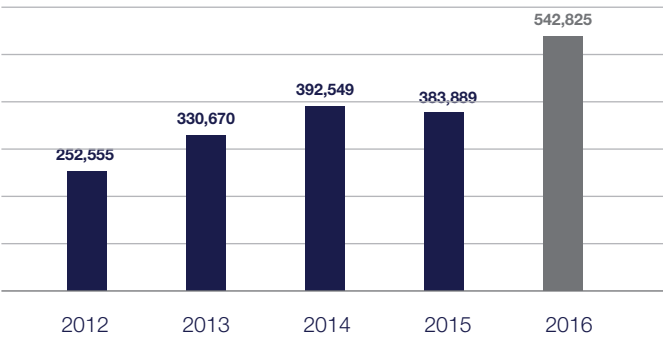
DESTINATION SHARE



SOUTH PACIFIC

The South Pacific held its title as Australia’s favourite cruise destination, attracting 542,825 cruisers in 2016 and accounting for 42.4 per cent of the total market.

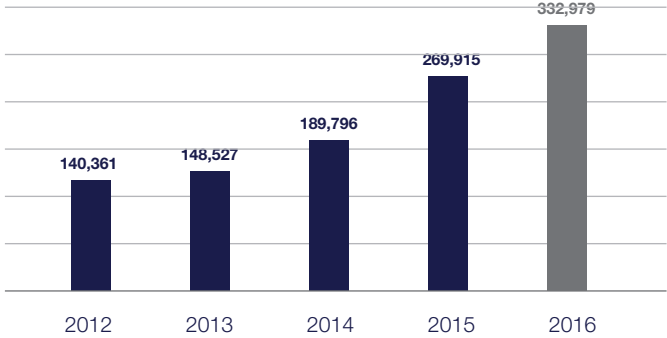
Since 2012, this popular market has grown by an impressive 115 per cent.



AUSTRALIA

An array of new domestic cruise options kept Australian cruise numbers on a strong growth trajectory, with 2016 figures reaching a record 332,979 - a 23.4 per cent rise on 2015.

The result means Australian passenger numbers have more than doubled in four years.

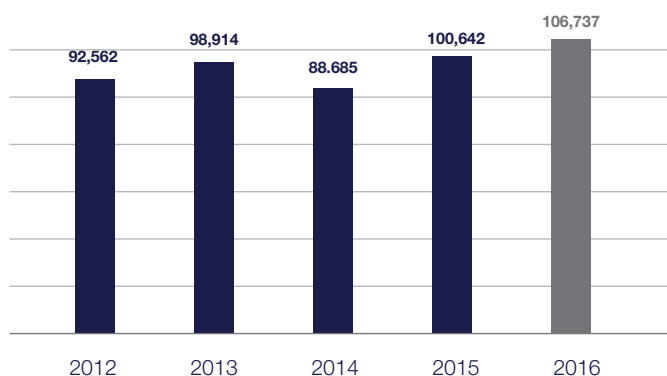


NEW ZEALAND

The number of Australians cruising to New Zealand broke through the 100,000 mark in 2015, and 2016 experienced a further 6.1 per cent growth taking the number of Australian passengers to 106,737.

This reflects the continued appeal of trans-Tasman itinerary options, and pushes New Zealand ahead of Europe as the nation's third most popular cruise destination.

New Zealand numbers have now increased tenfold in the past years, up from 10,077 in 2007.

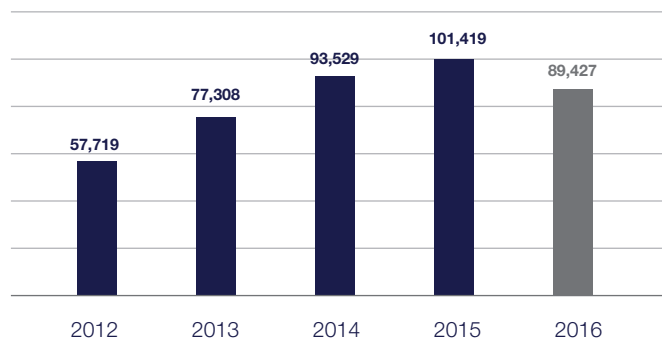


EUROPE

While Europe (including the Med) has maintained its title as Australia's favourite long haul cruise destination in 2016, the consequence of geo-political events did see the number of passengers from Australia fall for the first time in 10 years by 11.8 per cent to 89,427.

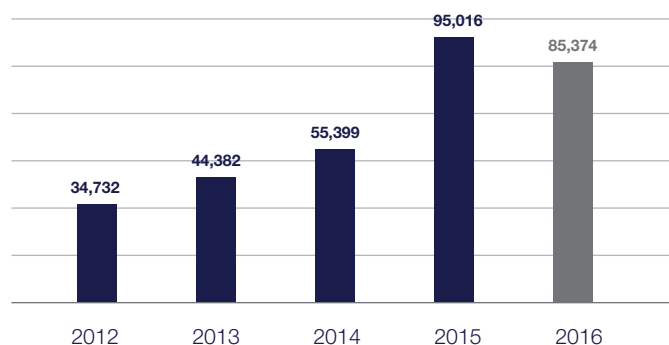
Mediterranean cruises remained the key choice in the region in 2016 with 65,778 Australians selecting Mediterranean itineraries, down 7.9 percent.

Northern Europe experienced a stronger decline, with passenger numbers falling 21.1 per cent in 2016 compared to 2015, to reach 23,649.



ASIA

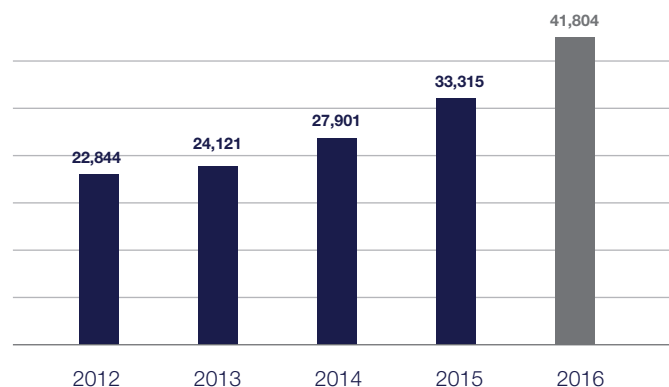
The success story of 2015 with an extraordinary 71.5 per cent growth, Asia slipped backwards by 10.1 per cent in 2016, reflecting the decline in long-haul fly-cruise. Nevertheless, the growing choice of ships and itineraries on offer in Asia has still resulted in 145.8 per cent growth over the past 5 years.



ALASKA

An increasing number of cruise-tour options prompted another strong year for Alaska with a 25.5 per cent rise in Australians travelling to Alaska in 2016, reaching another record of 41,804 passengers.

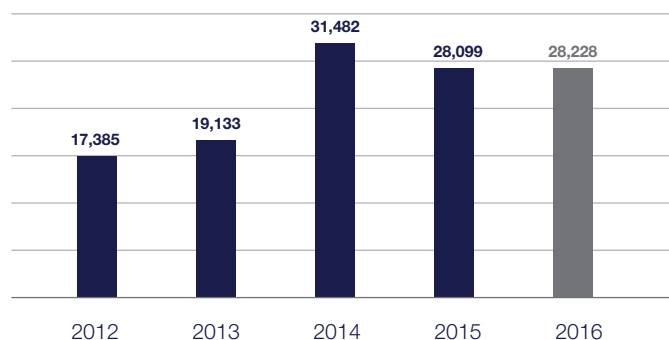
This continues the upward trend for Alaska that was noted in 2015, after several years of minimal growth, with the region continuing to claim its title as the most popular cruise destination within the Americas for Australians.



THE CARIBBEAN REGION

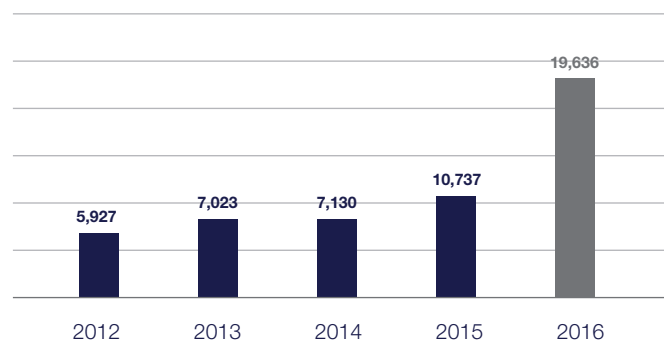
After last year's fall in passenger numbers to the Caribbean, Bahamas and Panama, passenger numbers stabilised in 2016 with just 0.5 per cent growth to 28,228.

Overall the region remains a popular destination, with Australian cruise passenger numbers having grown by 62.4 per cent over the past five years.



WORLD CRUISES

World Cruises surged by 82.9 per cent to 19,636 cruises. Although only accounting for 1.5 per cent of the Australian market in 2016, World Cruises have grown by 231.3 per cent over the past five years from just 5,927 Australian passengers in 2012. This reflects the additional capacity allocated to this market as a result of cruise operators responding to ongoing interest in world cruise itineraries.



DEMOGRAPHICS

PASSENGER ORIGIN

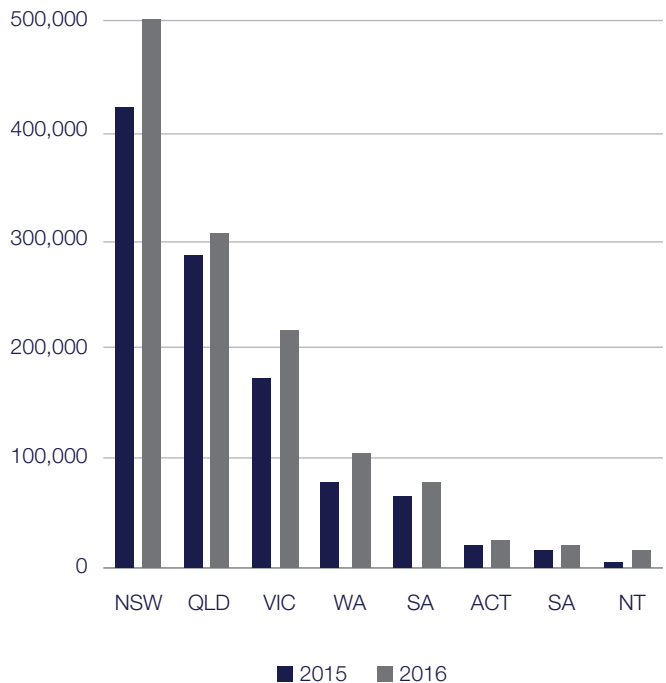
New South Wales remained the biggest source of cruise passengers in 2016 with 522,922 cruising, accounting for 40.8 per cent of all cruisers, a 23.9 per cent increase on 2015.

Queensland remained in second place with a record 304,736 Queenslanders taking a cruise in 2016 – a 7.8 per cent increase on 2015. The growth meant Queenslanders contributed 23.8 per cent of the country's cruisers in 2016.

NSW achieved the highest market penetration rate, with an impressive 6.7 per cent of the population taking a cruise in 2016. In Queensland, the equivalent of 6.3 per cent of the population took a cruise.

Victoria was ranked third largest state with 215,817 cruisers, contributing 16.8 per cent of total cruise passenger numbers, and the equivalent of 3.5 per cent penetration. These numbers represented a 23.8 per cent increase on last year's figures.

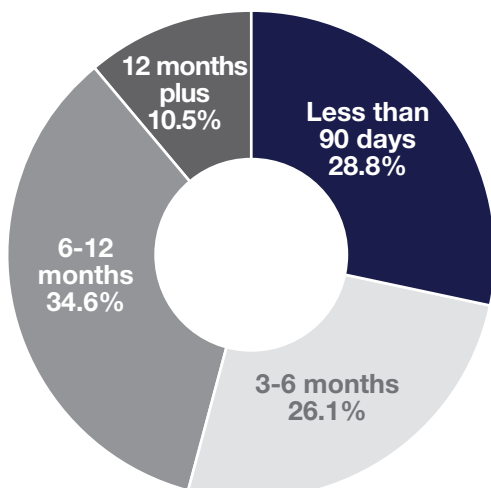
Meanwhile Western Australia and South Australia both reported significant growth in cruise passengers with WA numbers rising 31.8 per cent to 103,927 (4.0 per cent penetration) while South Australia increased by 19.9 per cent to reach 75,237 (4.4 per cent penetration).



BOOKING PATTERNS

Booking patterns remained constant in 2016, with more than half of Australian cruisers (54.9 per cent) booking their cruise six months or less before departure, and 34.6 per cent booking between six and 12 months.

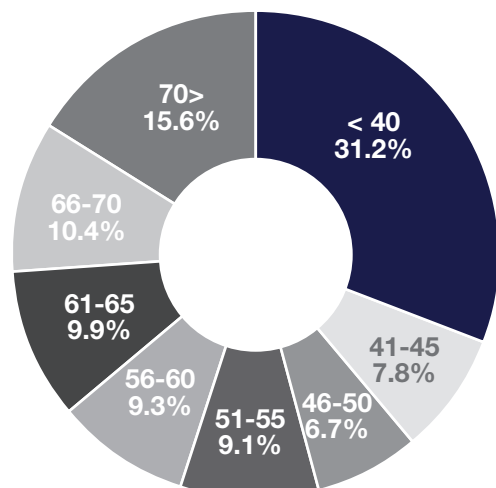
Last minute planners are still prevalent with 28.8 per cent of bookings made within three months of sailing, and a further 26.1 per cent made between three and six months.



PASSENGER AGE

Australian cruisers continue to come from across the age spectrum, underlining the wide array of cruises and destinations now on offer.

The distribution pattern has remained largely unchanged for the past three years, reflecting the appeal of all types of cruising and the diversity of itineraries across the board.



CRUISE DURATION

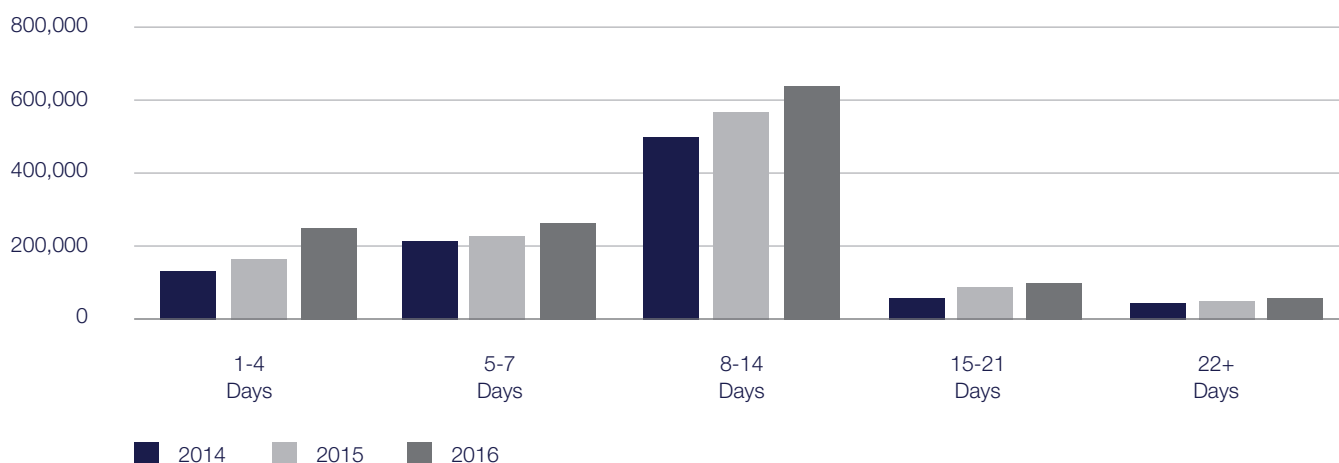
LENGTH OF CRUISE

While cruises of 8-14 days remained the most popular in 2016, attracting 642,063 (50.1 per cent of the market), the growing range of itinerary options offered by CLIA members also prompted a surge in the number of Australians booking both shorter and longer cruises.

The number of cruisers travelling on itineraries of 1-4 days soared by 59.7 per cent to almost 247,565, equating to 19.3 per cent of the market.

Cruises of 5-7 days remained the second most popular option in the market, accounting for 254,984 passengers (19.9 per cent of the market).

Consistent with the prior year, 89.3 per cent of Australian cruisers took a cruise of 14 days or less.

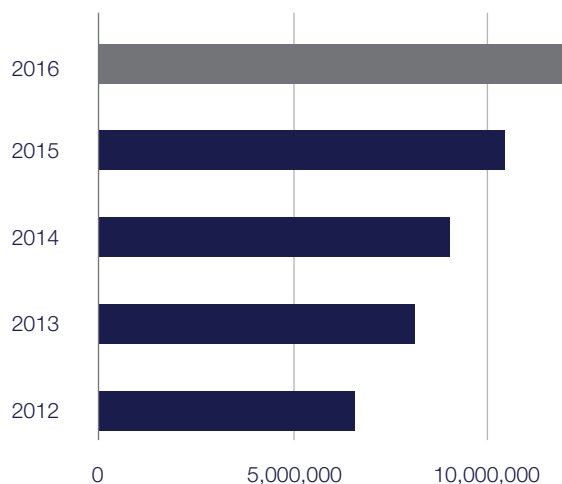


ESTIMATED SEA DAYS

Measuring the total number of days spent at sea by Australians also provides a perspective on the market's growth.

CLIA data shows that Australian passengers spent 12.1 million days on ocean cruises in 2016 – up 16.5 per cent on 2015 and a 84.1 percent increase over 5 years.

This stability was also evident in the average ocean cruise length in 2015 of 9.4 days – a marginal decline on the previous year's figure of 9.8 days



DEFINITION OF CRUISE REGIONS

Cruise region Includes	
ALASKA	All Alaska cruising
ASIA	South-East & North Asia cruising
AUSTRALIA	Circumnavigations, coastal cruising & sampler cruises
CARIBBEAN	Caribbean, Bahamas & Bermuda cruising Panama Canal crossings
MEDITERRANEAN	Eastern & Western Mediterranean Black Sea and Canary Islands
MEXICO	Mexican Riviera & Mexican Baja
NEW ZEALAND	New Zealand coastal and trans-Tasman cruising
NORTHERN EUROPE	Norwegian Coast, Scandinavia, Baltic region & North Sea British Isles & Atlantic coast of France/Spain/Portugal
OTHER AMERICAS	Hawaii cruising Eastern Canada & New England cruising
OTHER	Africa, India, Middle East Antarctica cruising Trans Atlantic crossings
SOUTH AMERICA	South America cruising
SOUTH PACIFIC	South Pacific cruising & trans-Pacific voyages
WORLD VOYAGES	All world cruise sectors

CLIA AUSTRALASIA EXECUTIVE COMMITTEE:

Chairman: Steve Odell, Norwegian Cruise Line Holdings

Executive Committee Members:

Stuart Allison, Princess Cruises
Adam Armstrong, Royal Caribbean International
Sarina Bratton, Ponant
Karen Christensen, Crystal Cruises
Lynne Clarke, MSC Cruises
Andrew Millmore, Tauck River Cruising
Jennifer Vandekreeke, Carnival Cruise Line

Managing Director: Joel Katz

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TOP 5 REASONS TO PARTNER WITH CLIA

1 Grow your business

Becoming a CLIA Executive Partner member puts you at the heart of the cruise industry, where you need to be to generate new business opportunities with cruise lines and other stakeholders.

2 Meet with key decision makers

CLIA hosts a robust calendar of networking events across the world. There are multiple forums to discuss industry topics and fast track relationships with key decision makers.

3 Insight, expertise and guidance

CLIA is the gateway to a wealth of research and intelligence on the cruise industry. In addition, CLIA offers forums to discuss challenges and solutions to technical and regulatory matters, providing you with a unique, competitive edge.

4 Elevate your profile

Your business will be promoted to the entire cruise community, including more than 60 global and regional cruise lines, 300 Executive Partner Members and tens of thousands of travel agents at events, in publications and online.

5 Advocacy, representation and influence

CLIA is the unified voice before governments for legal and regulatory frameworks that promote a robust and sustainable cruise industry. CLIA Executive Partner members are part of this powerful unified voice and demonstrate to policy makers the cruise community's positive contributions to society.

To learn more about becoming a CLIA Executive Partner visit www.cruising.org.au or call +61 (02) 9964 9600

WORLD-CLASS CRUISE FACILITIES

New South Wales leads the way

- Cruise is the fastest growing tourism sector in Australia
- A record 336 ships are scheduled to visit Sydney this cruise season
- Sydney was crowned the 2016 best cruise destination in Australia and New Zealand¹ and Best Australian Homeport²
- Sydney is home to two world-class cruise terminals – White Bay Cruise Terminal and the Overseas Passenger Terminal at Circular Quay
- Cruise is experiencing growth in Eden, Port Kembla and Newcastle

1. Cruise Critic 2016 Cruisers' Choice Destination Awards.

2. Cruise Critic 2016 Australia Editors' picks Awards.

