

ANOTHER YEAR OF GROWTH

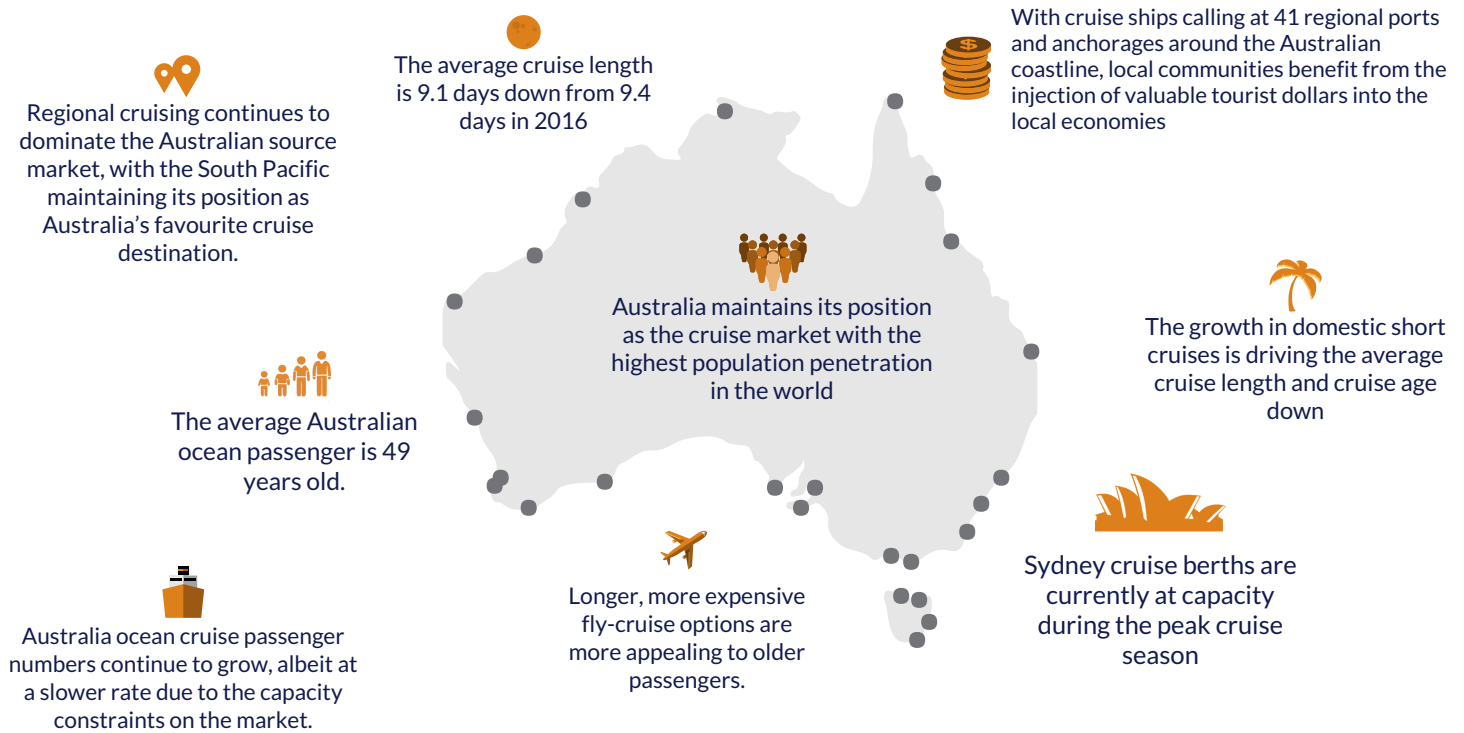
Australian cruise passenger numbers hit another record high in 2017 with 1.34 million passengers taking an ocean cruise. As cruise continues to grow as the preferred holiday choice for Australians, the growing number of cruise ships and an expanding range of homeports and itineraries continued to deliver increased passenger numbers. The local source market saw an increase of 4.4 per cent on 2016, positioning Australia on par with the world's largest cruise market, the USA (4.7 per cent), and well ahead of established markets such as Europe (2.5 per cent) and the UK/Ireland (0.5 per cent).

Highest Market Penetration

Australia was once again at the top of the global cruise industry for market penetration with 5.7 per cent of the population taking an ocean cruise in 2017. With the equivalent of almost 1 in every 18 Australians cruising, Australians are increasingly choosing a cruise as their preferred holiday choice due to the incredible range of ships and itineraries now available in the region and around the world.

Fourth Largest Source Market Region

Across the world, 26.7 million people took a cruise in 2017. With 5.4 per cent of the world's cruisers, Australasia was the fourth largest source market region.



An Industry With Even Greater Potential

The outlook remains positive for future growth in the ocean cruise passenger market, with potential for the industry to offer an even broader and more frequent range of domestic itineraries, while also increasing its direct contribution to Australia's regional economies.

While Australia's high market penetration rate signals the continued demand for cruising, the local industry faces growth constraints in the form of a lack of cruise infrastructure development in ports across Australia, as well as Customs policy that hinders the development of increased domestic cruising. Resolving these infrastructure constraints and ensuring the right regulatory settings can be achieved is an absolute priority to future-proof cruise tourism in Australia.

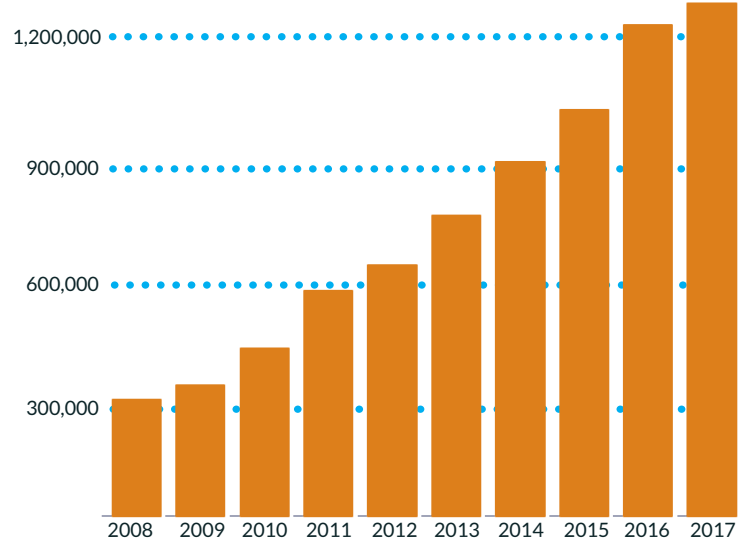
Globally, there are 109 new cruise ships set to be delivered between 2018-2027 at a total cost of more than US\$58 billion. As the industry continues to invest billions of dollars in new vessels, new destinations and strong source markets such as Australasia have the potential to reap the rewards of increased deployment as long as they can meet capacity requirements. With cruise tourism in neighbouring Asia still growing at an impressive rate due especially to a sharp increase in passenger volume from China (89 per cent in 2016), it is critical that Australia future proofs cruise tourism to avoid losing potential capacity to Asia.

PASSENGER GROWTH

With an additional 56,000 passengers choosing to cruise in 2017, an analysis of the past 10 years shows Australian sourced cruise passenger numbers have grown by a further 30 per cent since reaching the milestone of one million annual Australian ocean cruise passengers in 2015.

Since 2008, passenger numbers have risen by an average of 18.5 per cent a year, with the market more than quadrupling in the past ten years and more than tripling since 2010.

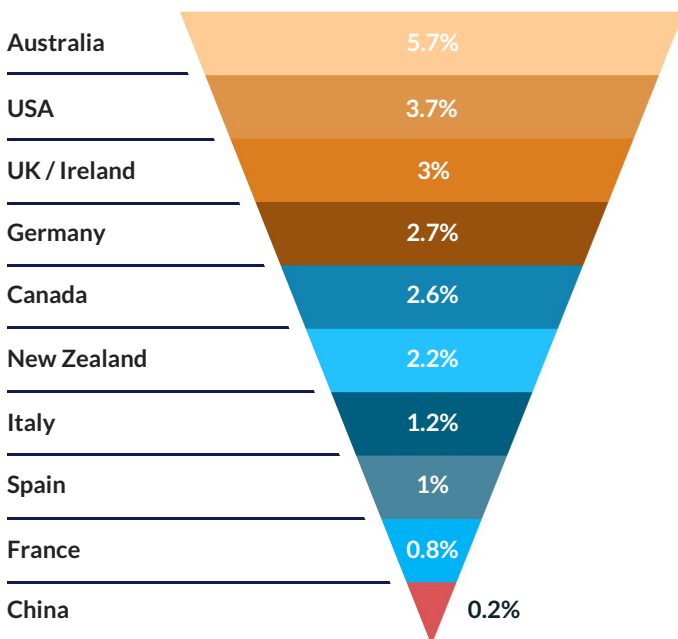
To cater to Australia's growing appetite for cruising, CLIA cruise lines have announced a number of new deployments in the region, which will help to drive further growth in local passenger numbers. Over the coming years we will increasingly see more vessels homeporting in Brisbane, Melbourne, Fremantle and regional ports.



MARKET PENETRATION

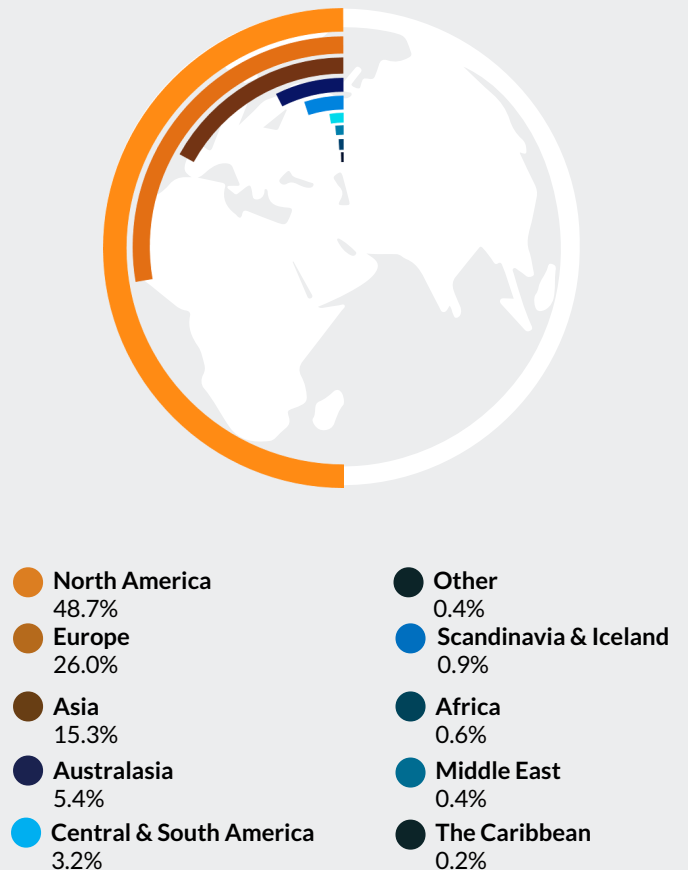
With a 5.7 per cent market penetration, up from 5.3 per cent in 2016, Australia continues to lead the world when it comes to demand for cruise. Last year, almost 1 in every 18 Australians took a cruise, with Australian travellers increasingly drawn to the wide variety of cruising options being offered.

Australia remains the only country to have achieved a population penetration rate of more than 4 per cent, with the well-established US market sitting on 3.7 per cent market penetration. Meanwhile UK and Ireland achieved 3 per cent, and Germany, Canada and New Zealand are the only other countries exceeding 2 per cent penetration.

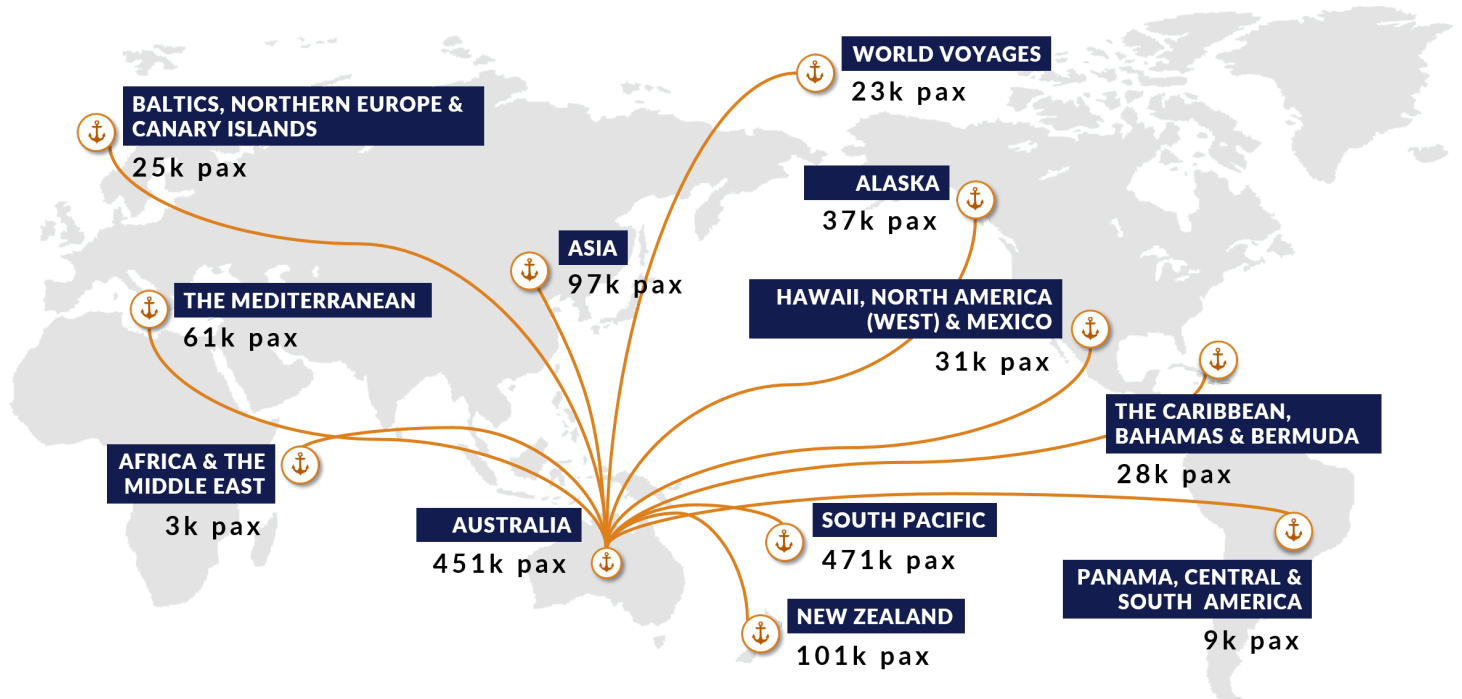


World Perspective

Across the world, 26.7 million people took a cruise in 2017, up 5.3 per cent from 2016. With 5.4 per cent of global cruise passengers hailing from Australasia, the region was the fourth largest source market in the world. As a region with a comparatively small population, Australasia punches well above its weight.



WHERE ARE AUSTRALIANS CRUISING?



In 2017, 77 per cent of Australian cruisers took a cruise in local waters with the majority sailing to the South Pacific (35 per cent), Australia (34 per cent), and New Zealand (8 per cent). Beneficiaries of these domestic cruise travellers included an increasing number of regional ports and destinations.

Globally, the distribution of Australian sourced cruise passengers remained largely unchanged in 2017. Asia was the most popular long-haul fly-cruise region for Australian cruisers accounting for 7.3 per cent of travellers, followed by the Mediterranean with 4.6 per cent, and then Alaska (2.8 per cent), USA/Hawaii/Mexico (2.3 per cent) and the Caribbean (2.1 per cent).

**Note allocation to trade routes may differ between 2016 and 2017 due to the change in data collection methodology.*

WHO IS CRUISING IN THIS REGION?

This region continues to be an attractive cruise destination for international holidaymakers with around 200,000 international cruise passengers. Based on inbound tourist arrivals, CLIA estimates that cruising was the 7th largest source of inbound international tourists in 2017. In total, cruisers from 145 different countries visited the region.

In 2017, the USA was the largest source of inbound cruise visitors (87,000), with the United Kingdom (21,000), Europe (19,000), Canada (14,000), and the growing source market of Asia (7,000) also delivering significant cruise passengers to the region.



DEMOGRAPHICS

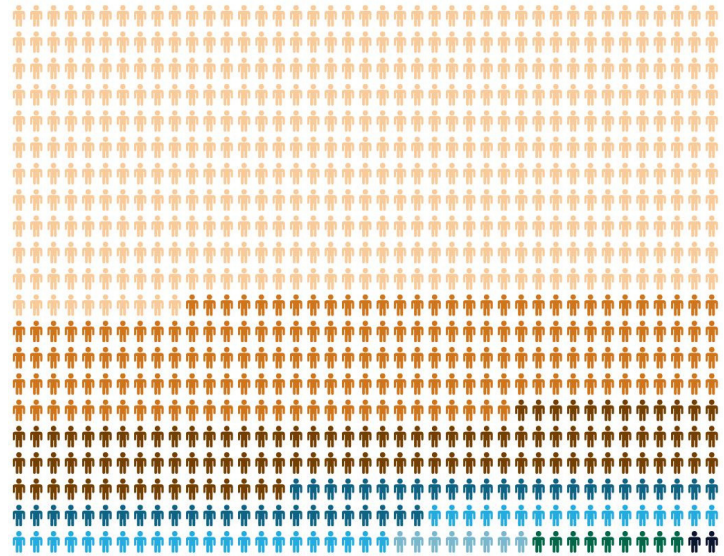
The strength of the Australian cruise market also lies in its appeal to a broad demographic and across all age groups.

Australian Passenger Origin

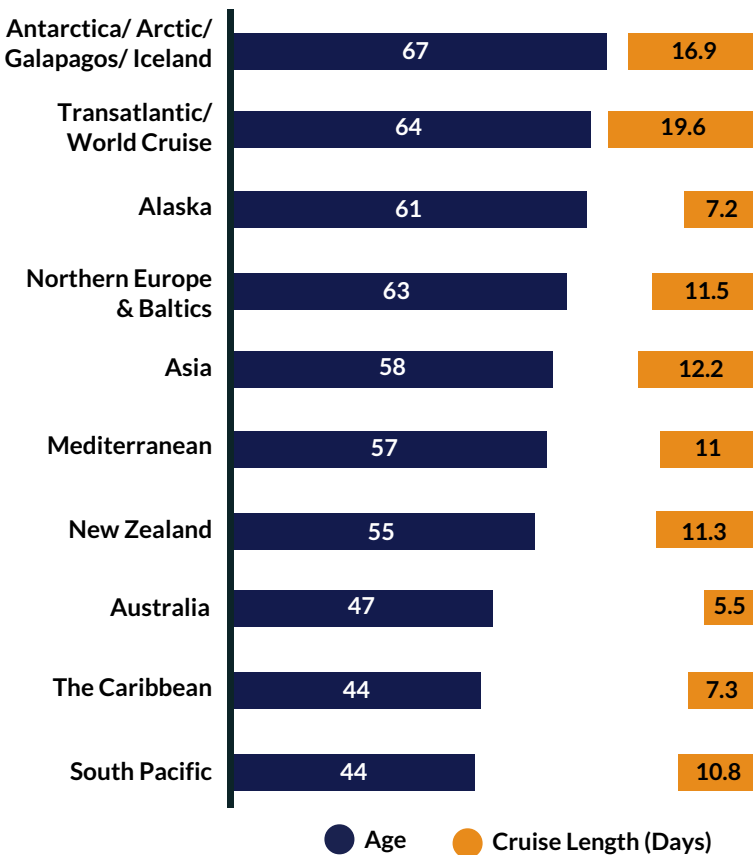
New South Wales remained the biggest source of cruise passengers in 2017, accounting for 53.5 per cent of all cruisers, a 12.7 per cent increase on 2016.

Queensland remained the second biggest contributor with 21.3 per cent of ocean cruise passengers.

Meanwhile Victoria was ranked third with 12.8 per cent of Australia's cruise passengers, Western Australia followed with 5.7 per cent, then South Australia with 4.5 per cent.



● NSW ● QLD ● VIC ● WA
● SA ● TAS ● ACT ● NT



In 2017, the average Australian passenger was **49 years old** and cruised for **9.1 days**

Passenger Age and Cruise Length

Australian cruise passengers continued to come from across the age spectrum, with an average age of 49 in 2017.

Looking at the distribution of passenger age by cruise destination and duration, shorter itineraries in the South Pacific, Caribbean and Australia appealed to younger cruisers, while middle aged cruisers were more likely to be attracted to New Zealand, Asia and the Mediterranean.

The average age increased to the 60s for passengers venturing on longer cruises to Northern Europe, Alaska, the Galapagos, Iceland and the Polar Regions as well as on Transatlantic and world cruises.

The average cruise length in 2017 was 9.1 days.

While cruises of 8-13 days remained the most popular accounting for 48 per cent of the market, shorter cruises of up to 7 days grew the strongest with 14 per cent growth, reflecting the growth in the number of passengers choosing to take a short break locally.

This report is based on 2017 calendar year passenger statistics provided by CLIA's ocean Cruise Line members, representing over 95 per cent of the global cruise industry capacity, plus additional data collected from non-CLIA Cruise Lines. 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.

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.

For more information about Cruise Lines International Association (CLIA) visit www.cruising.org.au