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New Zealand - a “pure gold” cruise experience

New Zealand offers cruise passengers “pure gold experiences” and has the potential to capture a bigger share of the world’s fastest growing form of leisure travel, say international cruise line representatives who spoke at the recent Cruise New Zealand Conference.

International cruise itinerary planners raved about their pre-conference travels around New Zealand and said the experience gave them the confidence to increase the time their ships spend here. However, they warned conference delegates the Government’s new Travel Tax could dampen their ambitions for New Zealand.

Steven Young, Carnival UK’s Director of Port Services & Government Affairs said it could cost up to an extra \$100,000 to bring the same ship to New Zealand.

“Our 2016 budgets have been done - we will have to absorb the tax so our profit is reduced. We want to see the introduction of the tax at least delayed, reduced and phased in to make it a softer landing that we can absorb. It won’t take much to make us think we will send fewer ships to New Zealand and soon the Government loses more than it makes through the tax.”

Mr Young urged the New Zealand Government see the bigger picture and the overall benefit of cruising to New Zealand regions.

Simon Douwes, Director of Deployment and Itinerary Planning, Holland America Line said cruise ship passengers rate New Zealand as “fantastic” with very high guest satisfaction, but cautioned destinations that charge too much have been dropped in the past.

“Port costs contribute as a major deciding factor in itinerary planning and we have dropped ports in Scotland and England and shifted to Norway because of increased charges – those ports have now reduced tariffs in order to attract vessels back. New Zealand ports are good, but with the border levy it will be much more expensive.”

The cruise sector contributed \$436 million in value-added earnings to the New Zealand economy in the 2014-15 season and supported 8365 jobs with excellent potential for growth. However, Cruise New Zealand estimates the Travel Tax could knock \$85 million off cruise sector earnings in 2018-19, compared to the \$7 million - \$8 million the government expects to collect from the new border levy.

Speakers at the Cruise New Zealand Conference also spoke of the need to plan for the growth in cruise passenger numbers and much bigger vessels.

“Last year cruise businesses in total had 40 new ships to come on stream by 2018 at a cost of \$30 billion – the cruise fleet is growing faster than port capacity and larger ships predominate,” explained Mr Young.

Bigger ships bring challenges for ports, including berthing and processing passengers when they come on shore. International visitors don’t want to walk more than 200 metres to taxis and don’t want to walk through industrial wasteland to get to the town centre, said Mr Douwes.

Craig Harris, Managing Director of McKay Shipping, a major New Zealand shipping agency, said the current size of cruise ships coming to New Zealand is 261 metres while ships coming on stream are 350 metres.

“We are taking 3000 passengers through port terminals made for 600 people. And as ships get bigger, passenger numbers will increase to 4000 and then to 6500. New Zealand’s cruise infrastructure elasticity is nearly at breaking point. There is stress on ports and most, with the exception of Auckland, are cargo ports. There are no new berths for cruise anywhere in New Zealand.”

Mr Harris said all the cruise sector stakeholders – including ports, local councils, tourism operators and cruise ship companies – needed to get in the same room to debate the issue and work out solutions.

- Headquartered in Seattle, Washington, USA, Holland America Line's fleet of 15 mid-size ships offers more than 500 sailings a year visiting all seven continents. Holland America is part of Carnival Corporation.
- Headquartered in Southampton, UK, Carnival UK includes P&O Cruises with its fleet of eight ships, including the recently launched *Britannia*, and Cunard Line with its fleet of three, which recently celebrated its 175th anniversary.

About Cruise New Zealand

Cruise New Zealand is the industry association of New Zealand’s cruise sector. Cruise New Zealand has been the driving force in attracting cruise lines to New Zealand since 1994, and has played a major part in building New Zealand’s world renowned reputation as a cruise-friendly destination.

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