

Tourism & Transport Forum (TTF)

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Submission No. 02
Norfolk Island Economy
Date: 14/04/2014

Committee Secretary
Joint Standing Committee on the
National Capital and External Territories
Parliament House
CANBERRA ACT 2600

Dear Secretary

I am writing to make a submission in relation to the Committee's inquiry into economic development on Norfolk Island.

Tourism accounts for 41 per cent of Norfolk Island's Gross Island Product and is the island's principal economic activity. Visitor numbers have, however, declined from a recent peak of almost 40,000 in 2003 to around 23,500 in 2013-14 according to visitor data on the Norfolk Island Government Information website. Growing the tourism sector must be an essential part of an economic development strategy for the island.

In this submission, TTF particularly wants to highlight the untapped potential of cruise shipping to boost Norfolk Island tourism.

Cruise shipping is the fastest growing segment of the Australian tourism market. In the last five years, Australian cruising has seen a 130 per cent increase in passenger numbers.

TTF is aware that the Australian arm of the world's largest cruise shipping company, Carnival, has undertaken work in examining the potential of cruise shipping to Norfolk Island.

Carnival Australia estimates that, with the right infrastructure, the cruise industry could deliver over 100,000 additional visitors to Norfolk Island annually which would represent an additional \$10 million in economic value for the island.

Norfolk Island is well placed geographically to take advantage of the growth in cruise shipping. It has a natural and historical offering that is highly attractive to cruise ship passengers.

However, the principal impediment to growth in the sector for Norfolk Island is the difficulty in disembarking passengers due to inadequate landing facilities combined with the island's prevailing weather conditions. Carnival Australia, for example, estimates that it is forced to cancel 70 per cent of scheduled visits due to these two factors.

TTF therefore encourages the Committee to recommend improvements to port infrastructure to permit more ships to reliably include Norfolk Island on their itinerary.

Specifically, TTF understands that the acquisition of four purpose-built tenders for the island would allow up to 80 per cent of scheduled calls to occur, overcoming the difficulties posed by weather conditions.

Most cruise ships do not carry tenders suitable for the specific conditions found at Norfolk Island. Similarly, existing tenders based on the island are not well suited to transferring cruise ship passengers. The funding of island-based tenders, operated by suitably trained local staff, would allow the safe transfer of passengers in a wider range of conditions.

Tenders acquired for this purpose would also improve the unloading of cargo and therefore have broader economic benefits for the island.

TTF believes that investment by the Australian government in improved landing facilities, including new tenders, is justified as they will provide a long-term sustainable base for tourism growth to the island.

Please do not hesitate to contact me if you think that TTF can assist the Committee further in its deliberations.

Yours sincerely

Ken Morrison
CHIEF EXECUTIVE