



Australian Government

**Department of Resources
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Cruise Ship Access Review Secretariat
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Dear Dr Hawke,

Independent Review of Enhanced Cruise Ship Access to Garden Island

The Department of Resources, Energy and Tourism (RET) appreciates the opportunity to make a submission to the Department of Defence's (DoD) independent review of enhanced cruise ship access to Garden Island. The cruise shipping industry is gaining prominence in Australia and the tourism industry supports the DoD's readiness to find long term solutions to port infrastructure issues in Sydney.

Importance of cruise ships to tourism

Cruise shipping is a rapidly growing sector of the tourism industry in Australia. In the 2010-11 cruise season, there were 568 cruise ship visits to Australian ports and this number is expected to increase to an estimated 750 this season. Sydney handled 150 cruise vessels last season and is expected to host an additional 80 visits in 2011-12, with more than 300,000 passengers passing through the port. In the 2010-11 cruise season, the sector accounted for \$423 million in expenditure in NSW alone. The direct expenditure (including domestic and international passenger, crew and operator expenditure) associated with the cruise shipping industry in Australia last season was estimated at \$789.6 million.

Last season, passenger capacity on cruise ships visiting Australia increased by 15.1 per cent, supporting the trend that larger sized cruise vessels are frequenting Australian waters.

Berthing issues in Sydney Harbour

While continued growth is predicted in Australian cruise shipping, the industry faces several challenges. One issue is the increasing number of larger cruise vessels with greater passenger capacity and the ability of port infrastructure to accommodate these ships. They require greater channel depth, longer wharfs for side berthing, air space under bridges and high quality terminal facilities that can accommodate border agencies for passenger processing. Already several vessels scheduled to visit the port of Sydney are unable to navigate under the Harbour Bridge, restricting viable berthing facilities.

This situation is compounded by the fact that currently 15 per cent of cruise ship visits to Sydney occur when two or more cruise ships are in port on the same day.

The use of Garden Island by cruise ships

RET supports the dedicated shared use of Garden Island's naval facility for cruise shipping purposes, but notes that the current sharing of facilities with Navy vessels at the facility comes with an element of uncertainty. As the Navy's fleet is given preference for docking and berth space over cruise ships, there is potential for cruise operators to be displaced at short notice.

Cruise companies traditionally plan schedules and sell finalised itineraries two seasons in advance, requiring a need for certainty with confirmed berthing options well ahead of actual usage. There is potential for cruise operators to remove Sydney from their itineraries and/or withdraw vessels from the Australian market, if demand for suitable and available berthing facilities in Sydney cannot be met. This would be detrimental to both the tourism industry and the NSW economy.

Additionally, cruise ships require some flexibility to accommodate delays due to mechanical and unforeseen circumstances. Should approval be granted for shared access to Garden Island, cruise operators would require the Navy to guarantee access to the berth at Garden Island outside the confirmed day of use (if required). If either of the above issues are untenable, RET does not believe the use of Garden Island as a viable Sydney cruise berthing option is practical.

RET is aware that minimal tourism supportive infrastructure exists at Garden Island to facilitate land access to and from cruise ships. The single access road, combined with limited parking arrangements in close proximity to the berthing area, is likely to be insufficient to support passenger transport, supply of goods and services, and the required provisioning for the berthed ships. Further, investment in the development of infrastructure such as a suitable passenger terminal at Garden Island would be required to facilitate the requirements of cruise ships in the longer term. RET also notes that increased passenger movements may pose a security risk and therefore suggest that all of the above points be managed in close collaboration between industry stakeholders and the Navy.

Concluding remarks

Port infrastructure requirements are evolving as cruise ships are becoming larger, with the largest ships in the international cruise fleet already challenging with existing Australian infrastructure. The Australian Government recognises that cruise shipping is an important and growing component of the tourism industry and RET welcomes DoD's willingness to entertain shared access to Garden Island for cruise operators.

RET appreciates the primary function of Garden Island is to provide support and maintenance berths for the Royal Australian Navy ships home-ported in Sydney, and supports regular access to Garden Island and the use of its facilities for cruise ships. Australia faces considerable planning challenges to develop port infrastructure which can better accommodate cruise ships. This planning process requires detailed feasibility and environmental studies. Garden Island could present a practical solution,

providing viable options are available to meet the commercial needs of cruise operators for reliable port facilities.

If you would like any additional information on this matter, please contact [REDACTED]

RET looks forward to the findings of the review.

Yours sincerely



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