

# The Cruising story...

**and opportunities for the Wild West coast  
- Geraldton, May 2018**





- The global Cruising story
- Introduction to Carnival Corporation
- Regional cruising perspective - WA
- What drives deployment decisions?
- Establishing new cruise destinations



# INTRODUCTION



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Destination Management and Shore Excursions  
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Carnival Australia

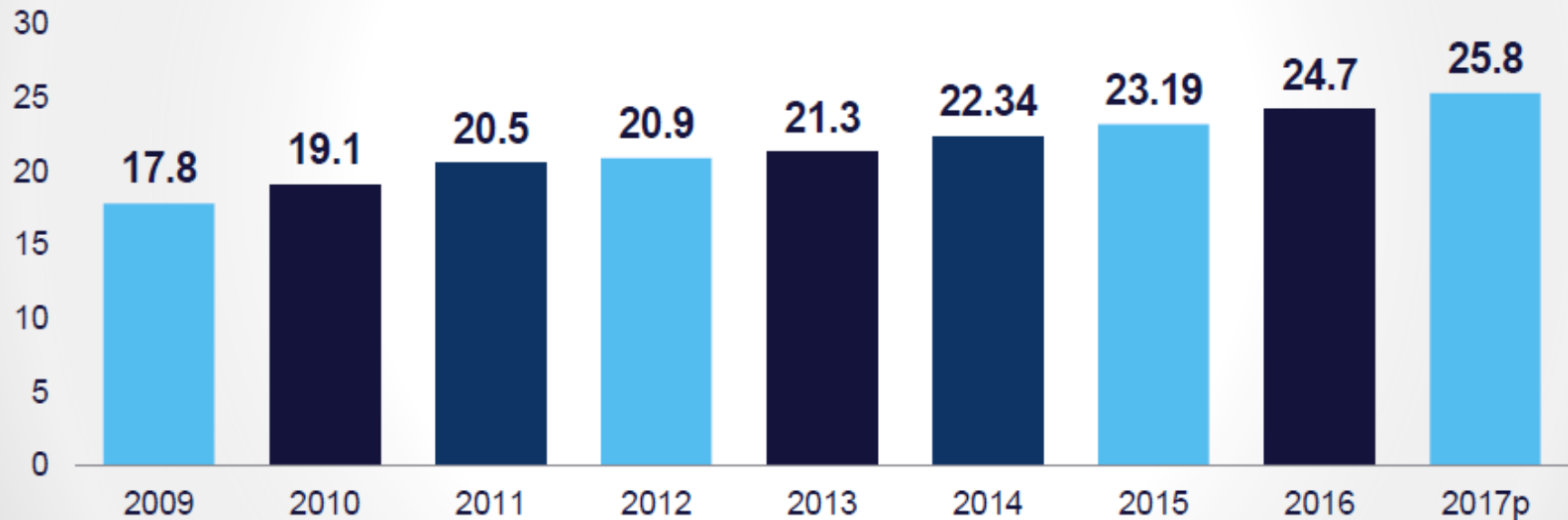
# THIS IS MY TEAM...



# 2017 PASSENGER CAPACITY SNAPSHOT

2017 = 25.8 Million Passengers Expected to Cruise

CLIA Global Ocean Cruise Passengers (In Millions)

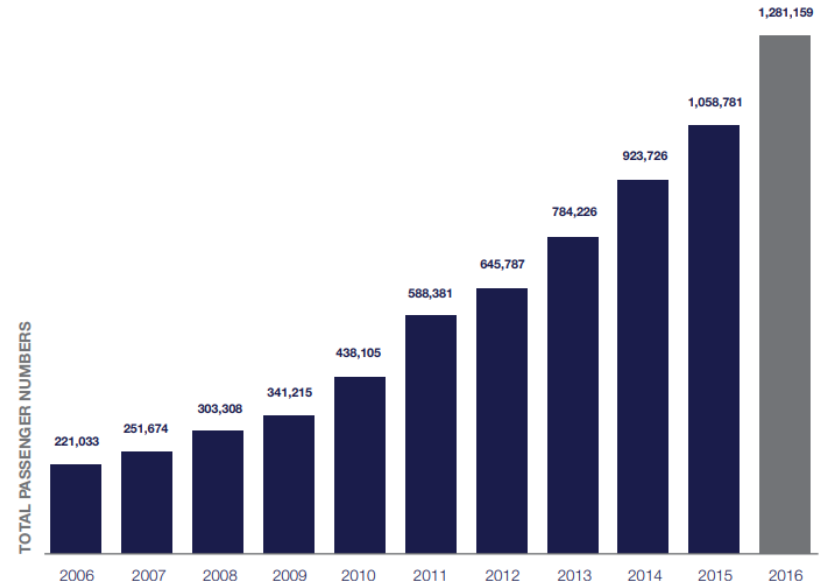


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# CRUISING IS BOOMING! IN AUSTRALIA AND AROUND THE WORLD

**1,281,159**  
**Australian Ocean**  
**Cruise Passengers**

[www.cruising.org.au](http://www.cruising.org.au) | 3



# CRUISE PASSENGERS COME FROM AROUND THE WORLD\*



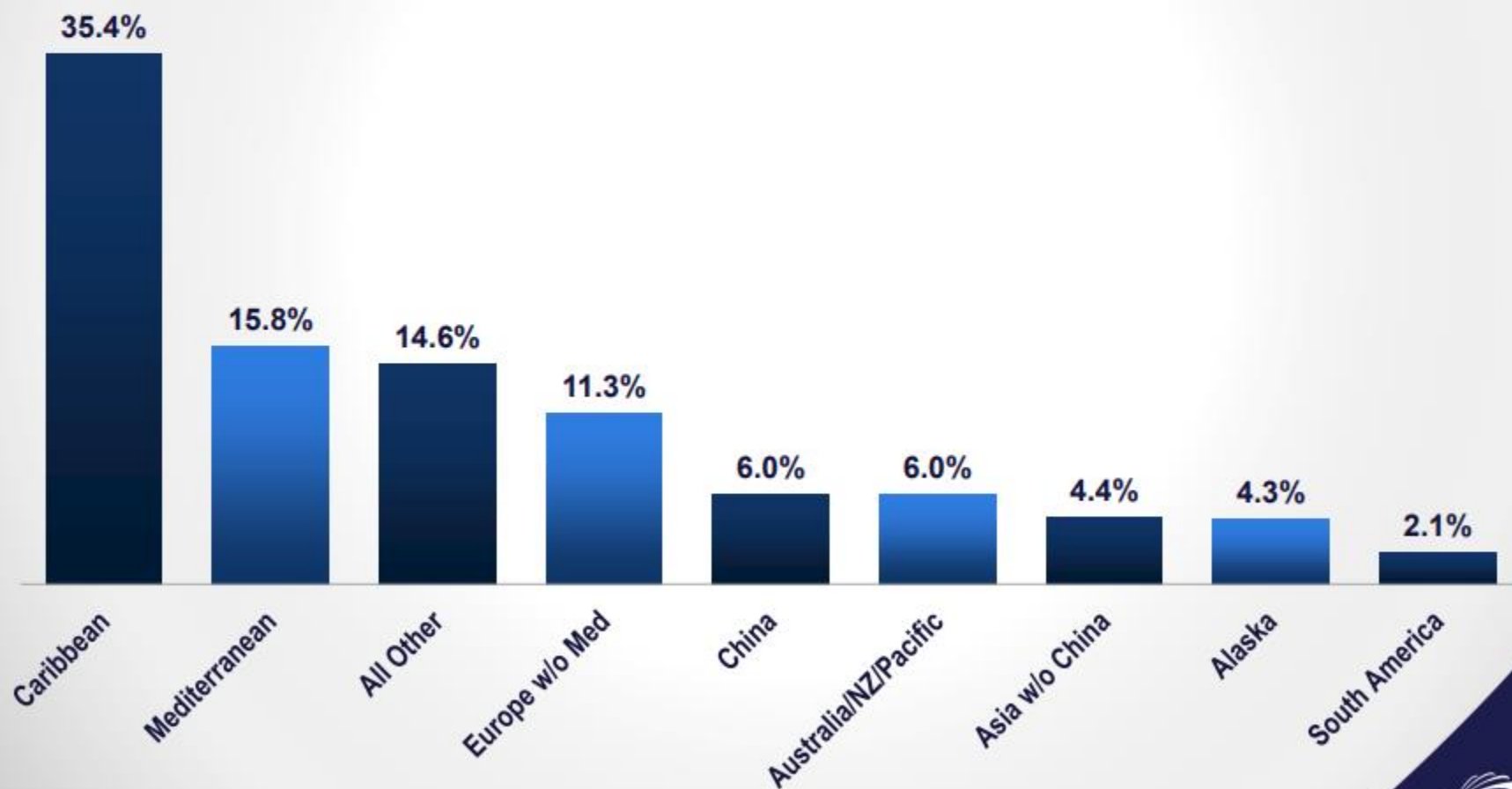
Demand for Cruising has **Increased 62%**  
in the Last Ten Years (2005-2015)

\*Represents 2016 total ocean cruise passengers (Millions)



# DEPLOYMENT

## 2017 Cruise Line Deployment by Region – % ALBD\*





# 2017 NEW SHIPS

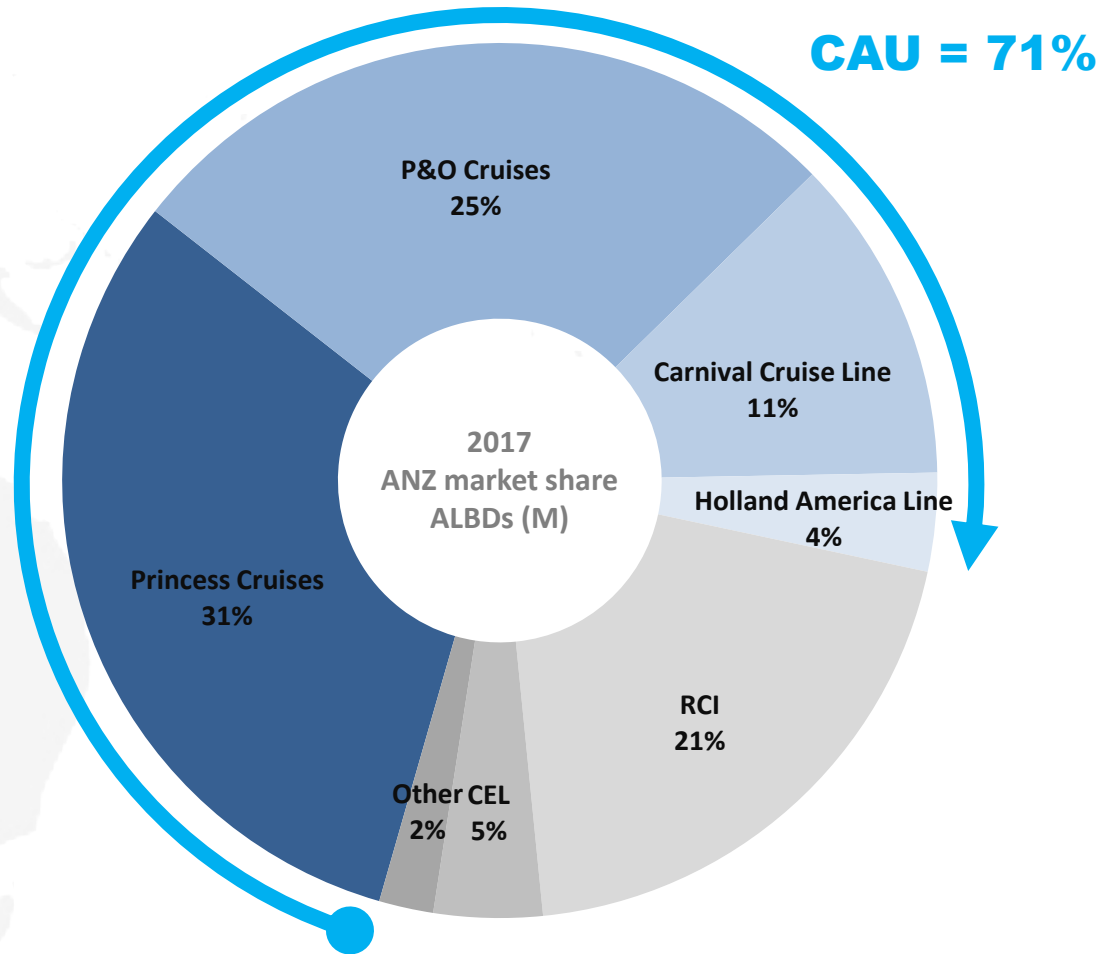
26 New Ships on Order (as of December 2016)

Total Investment of More than \$6.8 Billion  
in New Ocean Vessels in 2017

Year	Ocean	River	Ships Ordered	New Capacity
2017	13	13	26	30,006
2018	15	2	17	29,448
2019	20	2	22	51,824
2020 – 2026	32	0	32	119,510
Total	80	17	97	230,788

# CARNIVAL AUSTRALIA IS THE BACKBONE OF CRUISING IN THE REGION

- CAU is the only year-round cruise operator in Australia
- CAU is the #1 operator in Australia & New Zealand with ~71% market share



# INTRODUCTION TO CARNIVAL CORP & PLC



- Dual Listed on NY and London Stock Exchanges
- Market capitalisation ~US\$46.31B
- 104+ ships in service
- 9 brands
- ~12.1 million passengers a year
- ~US\$18B in revenues
- ~US\$2.6B net revenue



# WHAT IS CARNIVAL AUSTRALIA?



- Regional subsidiary of Carnival PLC
- ~10% of the corporation's business
- 7 brands in the region
- 1+ million passengers a year
- Only cruise operator to operate year-round in Australia
- Australia – Now 2<sup>nd</sup> fastest growing (to China) and 4th largest geographical source market





# WORLDS LEADING CRUISE LINES – COMMERCIAL POSITIONING



**FUN, VIBRANT HOLIDAYS WHERE  
FAMILIES AND FREE-SPIRITED COUPLES  
RECONNECT IN A LIVELY ATMOSPHERE.**



**CUNARD**

Cunard delivers luxury on a grand scale through its incomparable heritage and iconic ships.



Holland America offers classic style through timeless elegance with a modern twist on enriching journeys with authentic personalised destination experiences.



**WORLD'S LEADING  
CRUISE LINES**

**A CRUISE  
EXPERIENCE  
FOR EVERY  
HOLIDAY**



**AN EXPERIENCE INSPIRED BY  
MODERN AUSTRALIA THAT DELIVERS  
AFFORDABLE LUXURY FOR GROUPS  
OF FAMILIES AND FRIENDS.**



P&O Cruises World Cruising delivers The Good Life, uniquely tailored to British tastes.



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ITINERARIES & IMMERSIVE CULTURAL  
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A TASTE OF THE WORLD.**



*The finest ultra-luxury voyages  
designed to please the most discerning  
traveller by offering beyond the  
expected in places beyond the ordinary.*

# REGIONAL CRUISING PERSPECTIVE



- Over last 5 years Carnival has added 15 new Australian destinations to mainstream cruising portfolio
- Five new Event cruises
- Carnival offers voyages departing from every Australian capital city
- Majority of new destinations are in regional Australia

# WHAT DRIVES BUSINESS DECISIONS IN CRUISING

## Market potential

- Source market with maximum yield
- Duration and port density
- Destinations - marquee, curiosity destinations are measured with 'port scores'

## Key dates

- Peak periods
- Competitive offer

## Economic contribution

- Operating Costs (incl fuel and port fees)
- Revenue NTR + OBR (including Shore tour)

## Operational considerations

- Berth / anchor
- Navigation
- Crew turnaround capacity





# KEY TO ATTAINING TOP PORT SCORES – GREAT WELCOMES AND COMMUNITY PARTICIPATION





# TOP MARKS – GERALDTON

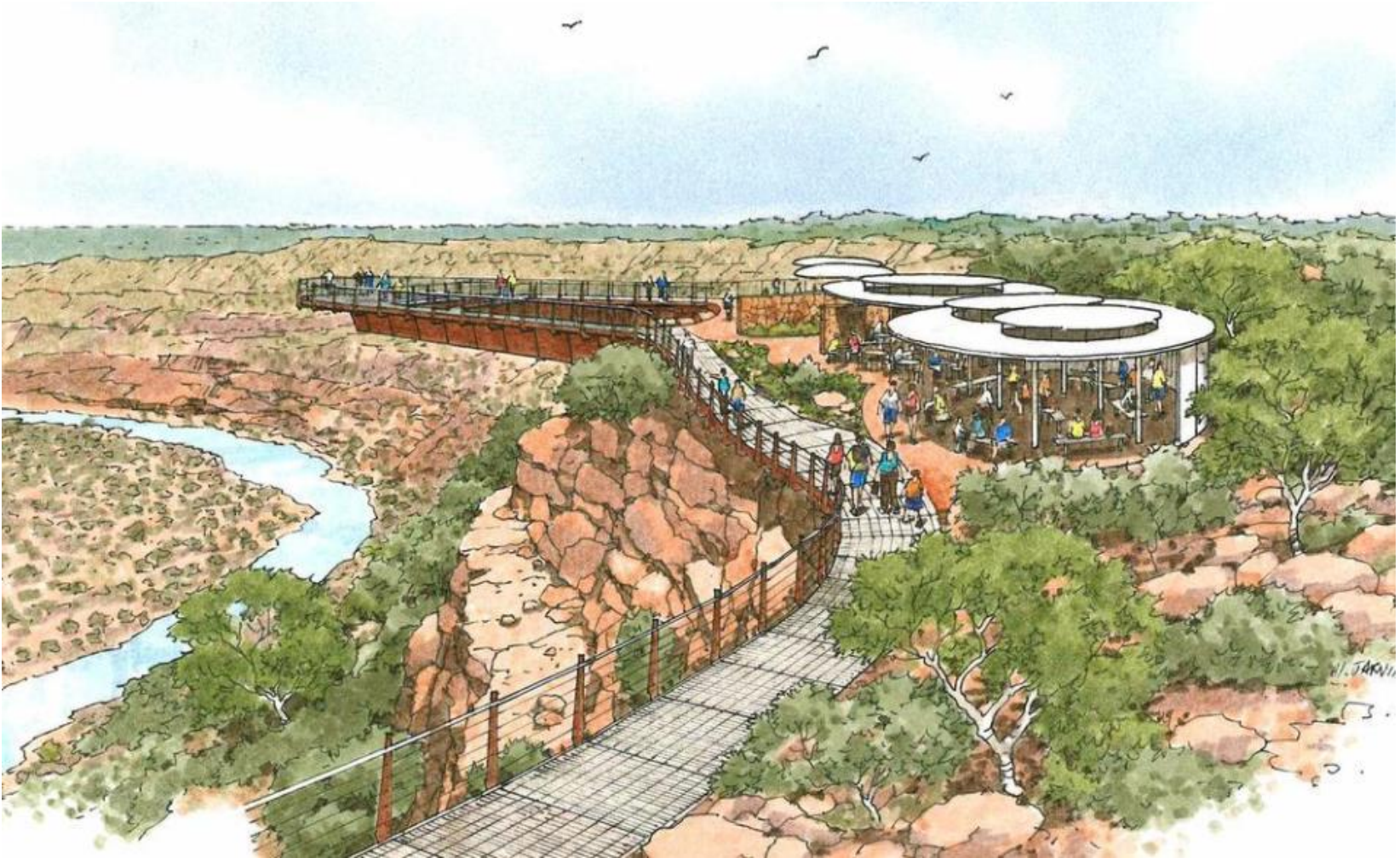


# SPECIAL THANKS – JO BROWN





# KALBARRI SKYWALKERS – GOOD FOR GERALDTON



# ABROLHOS CRUISING- GOOD FOR GERALDTON





# EXAMPLE – KURI BAY PLUS BROOME



# SPECIAL THANKS TO WA - STATE AND REGIONS



# MAIN EVENTS AND SHORT CRUISING



- New segment pioneered by P&O Australia
- Targets short breaks market
- Events are major catalyst to travel on short getaways
- Up to 40% of P&O Cruises deployment not categorised and Sea Breaks and Main Event



## Short cruising – 3/4 and 7/8 nights are core





# Cruising to the Australian OPEN – 2 ships



# Melbourne CUP impact



## TOURISM

### CARNIVAL AUSTRALIA (P&O)

The VRC's alliance with Carnival Australia (P&O) continues to be a core focus and has seen growth through yield and attendance year-on-year. Since 2012 passenger numbers have grown by 111%. In 2016 passenger numbers reached a record high at 7,971 compared to 7,785 in 2015. Over the past three years, more than 21,000 cruise ship passengers have travelled to Victoria to attend the MCC generating a total economic impact to the state of Victoria of more than \$32m. This is economic impact that otherwise would not exist due to the limitation of accommodation availability in Melbourne during the MCC. Despite growth in the number of cruise ships and passengers attending the MCC via cruises, accommodation bed nights have continued to increase, this sector experienced growth of 21.9% in 2016.

### Results from the 2016 Melbourne Cup cruises included:

- Second consecutive year of four Melbourne Cup cruise ships travelling to Melbourne. Three from Sydney and one from Brisbane – Pacific Dawn, Pacific Jewel, Pacific Pearl and Carnival Spirit.
- 7,971 passengers, up from 7,785 in 2015. 7,221 from interstate and 658 from New Zealand (overseas).
- 182 Carnival Spirit passengers also attended Crown Oaks Day.
- 25 passengers participated in an exclusive Behind the Scenes Tour of Flemington.
- 10 passengers attended Oaks Club Lunch at Crown Palladium as a ticket upgrade option.
- 165 coaches transported passengers to and from Flemington on Emirates Melbourne Cup Day.

### PASSENGER TICKET UPGRADES ON EMIRATES MELBOURNE CUP DAY

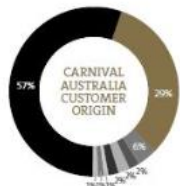
PRODUCTS	NO. OF TICKETS
GENERAL ADMISSION	7,971
P&O MARQUEE	506
THE PINPOINT	353
DINING	462
LAWN STAND	942
PIN AND WIN PINS	8000
BEHIND THE SCENES TOUR	25
OAKS CLUB LUNCH	10

### PASSENGER AND SHIP NUMBERS YEAR-ON-YEAR

YEAR	NO. OF SHIPS	PASSENGERS
2013	2	3,750
2014	3	6,141
2015	4	7,785
2016	4	7,971

### CRUISE SHIP ARRIVAL AND DEPARTURE DETAILS

VESSEL NAME	ARRIVAL DATE	DEPARTURE DATE	RACE DAY ATTENDANCE
PACIFIC JEWEL (P&O)	MON 31 OCTOBER	WED 2 NOVEMBER	EMIRATES MELBOURNE CUP DAY 2016
PACIFIC DAWN (P&O)	TUE 1 NOVEMBER	WED 2 NOVEMBER	EMIRATES MELBOURNE CUP DAY 2016
PACIFIC PEARL (P&O)	MON 31 OCTOBER	WED 2 NOVEMBER	EMIRATES MELBOURNE CUP DAY 2016
CARNIVAL SPIRIT (CARNIVAL AUSTRALIA)	TUES 1 NOVEMBER	THU 3 NOVEMBER	CROWN OAKS DAY 2016



■ NSW ■ QLD ■ OVERSEAS ■ SA (2%) ■ WA (2%)  
■ ACT (2%) ■ NT (2%) ■ VIC (2%) ■ TAS (2%)

OVER THE PAST THREE YEARS, MORE THAN 21,000 CRUISE SHIP PASSENGERS HAVE TRAVELLED TO VICTORIA TO ATTEND THE MCC GENERATING A TOTAL ECONOMIC IMPACT TO THE STATE OF VICTORIA OF MORE THAN \$32M.



# What can Geraldton offer for Perth short cruise market?



# HOW MUCH IS CRUISING WORTH IN AUS?

## AUD\$5.3B

### Total National Contribution of Cruise Tourism in Australia, 2016/17

Sector	Output (A\$ Mil)	Value-Added (A\$ Mil)	Compensation* (A\$ Mil)	Employment* (FTEs)
Direct	2,658.5	1,297.7	907.3	12,235
Indirect and Induced	2,621.8	1,429.4	606.8	9,024
Total 2016/2017	5,280.3	2,727.1	1,514.1	21,260
Total 2015/2016	4,576.5	2,365.5	1,326.7	18,669
Change	15.4%	15.3%	14.1%	14.5%

\*Includes the direct wages and employment of the cruise lines in Australia.

# IMPORTANT TO REMEMBER...

- Cruising is low impact as generally only day-use infrastructure is required
- New technology in continuing to reduce emissions
- Any waste generated is removed from the destination and processed on-board or in approved shore-side waste facilities
- Ships are virtually fully self-contained





# THANK YOU

