



27 September 2021

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
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Inquiry into the Biosecurity Amendment (Enhanced Risk Management) Bill 2021

Cruise Lines International Association (CLIA) Australasia welcomes the opportunity to make this submission on the inquiry by the Committee into the Biosecurity Amendment (Enhanced Risk Management) Bill 2021 (the Bill).

CLIA Australasia is the regional office of CLIA, the world's largest cruise industry trade association. CLIA represents 95% of the world's ocean-going cruise capacity and serves as a non-governmental consultative organisation to the International Maritime Organization (IMO), an agency of the United Nations.

1. Introduction

The Covid-19 pandemic has presented unprecedented challenges for many sectors, not least ours. The changes our industry has made in response to the pandemic have been extensive. As Australia takes steps to reopen its borders and resume normal economic activity, the cruise industry is keen to demonstrate the work it has done to support a carefully managed resumption of cruising. We see the Bill as representing a positive step toward this resumption.

The enormous popularity of cruising in Australia has led to cruise making a significant contribution of over \$5 billion per year to the economy and supporting over 18,000 Australian jobs in a normal year. Our cruise line members are committed to restoring the cruise industry as a dynamic economic driver with the ability to deliver increased visitation, economic activity, and jobs to port cities and regional communities right around Australia and to our neighbouring communities including in the South Pacific.

Although cruising remains suspended in Australia, more than 1.5 million passengers have successfully sailed in the many countries where cruising has resumed including across the United Kingdom, Europe, in North America and the Caribbean and in parts of Asia. In these countries, new health measures to

underpin a cruise restart have been developed and put into action, and there has been close collaboration between health authorities, cruise lines and other stakeholders to achieve resumption.

Importantly, the experience from resumption shows our industry's new health protocols are working as designed.

In this submission we discuss our comments on the Bill, as well as the steps our cruise line members have put in place to address the new risks posed by Covid-19. We also provide more detail on the contribution of the cruise sector to the Australian economy.

2. Comments on the Bill

CLIA sees the Bill as a positive step toward facilitating the safe resumption of cruising.

Group directions

In our view it makes sense for human biosecurity officers to have the power to make group directions. The power means that only passengers who have or have been exposed to a listed infectious disease need to be subject to the measures in the group direction. It also avoids having the ship held in negative pratique for an extended period. When a cruise ship is not granted pratique, this impacts passengers who have not been exposed to the disease and has consequences for the efficient running of the port.

We do not anticipate any issues with cruise operators potentially being required to distribute the group direction where individuals in the group are still onboard (new section 108E(2)). However, it would make sense for the Bill to also require the vessel operator and person in charge of the vessel to be given a copy of the direction where individuals are still onboard.

While the Bill makes it clear that the group direction applies to the individuals included in the class of individuals it is issued to, it is not clear to what extent the vessel operator is expected to be involved in assisting them to comply with it (for example, in relation to the taking of samples, including requesting consent for the taking of samples and potentially also transporting them). This is especially the case if the direction requires individuals to remain onboard. The Bill and the Explanatory Memorandum are not clear on what if any activities vessel operators would be expected to carry out, and nor does the Regulatory Impact Statement take account of the impact of these activities on vessel operators.

Regrettably there was no meaningful consultation with industry on the Bill before it was issued so we have been unable to discuss the practical implementation of a group direction with the relevant departments.

Pre-arrival reporting

CLIA understands the rationale for further pre-arrival reports to potentially be required. We also understand the need for reports to be corrected where they become inaccurate. The new requirement in the Bill to update reports, however, should recognise that updating is not required where a subsequent report has or will be made pursuant to the Regulations before arrival (since that new report effectively updates the previous report).

3. The economic contribution of the cruise industry in Australia

As the Regulatory Impact Statement mentions, Australia receives a significant economic gain from the cruise industry.

The cruise sector experienced solid growth over the decade to 2020 and established itself as an important part of the Australian visitor economy. In 2008, just over 300,000 Australians took an ocean cruise. By 2019, this figure had grown to around 1.3 million Australians.

Commensurate with this growth, the industry's contribution to the Australian economy, including many regional Australian economies, also multiplied. In a normal year, the industry makes an overall contribution of over A\$5bn to the Australian economy and supports over 18,000 jobs¹. Tourism Research Australia has recently confirmed that the methodology used to calculate these figures aligns with their approach. A significant part of this contribution is expenditure by passengers, cruise lines and crew, providing a direct injection of funds into both the communities that cruise ships visit and the Australian businesses that supply the cruise industry. To give an indication of the level of cruise ship passenger spend, for ships homeported in Sydney, international cruise visitors are estimated to spend an average of \$589 per day, with interstate visitors spending around \$447 per day.

It is not just capital cities that benefit from cruise visits. Cruise ships now visit almost all recognised ports and anchorages in Australia². The map below indicates ports and anchorages that had at least one cruise ship visit in 2019-20. In recent years the list of regional communities visited by cruise ships has expanded, with destinations such as Moreton Island, Gladstone, Mooloolaba, Kangaroo Island, Burnie, Eden, Port Kembla, Fraser Island and Esperance welcoming their first cruise ship visits.

Cruise ships have a long and high value supply chain, with the cruise sector spending hundreds of millions of dollars each year on Australian produce, wine and other supplies, and many related suppliers such as logistics and transport businesses also benefiting. The volumes of primary produce purchased by cruise lines are significant. One CLIA member alone, purchases between 1000-1500 tons of Australian red meat annually, between 20-30 tons of Australian poultry each week, and even higher volumes of fresh fruit and vegetables. The impact of the cruise suspension on these suppliers has been devastating, with some suppliers reporting that their turnover has reduced by up to 80% through the loss of cruise business.

Numerous industry sectors benefit from the impact of cruise passenger, crew and cruise line expenditure. Allied hospitality and tourism businesses such as hotel accommodation (used for pre and post cruise stays by cruise visitors³), airlines (used by fly-cruise cruise passengers as well as regional passengers), museums, tour operators, attractions, cafes and restaurants all benefit from the significant visitor numbers provided by cruise. Industries such as ports and maritime service providers also rely on the business provided by cruise ship visits, as do retailers, taxi owners and other transport operators.

¹ Based on findings by AEC Group Pty Limited. AEC's Economic Impact Assessment of Cruise Tourism in Australia, available at www.cruising.org.au.

² In 2019-20, 41 out of 47 recognised ports and anchorages in Australia recorded a cruise ship visit

³ In passenger surveys, almost one-third of homeport passengers reported having had a pre- and/or post-cruise overnight stay in the homeport city and spent an average of 3.2 nights there.



Cruise bookings are a vital source of revenue for Australian travel agents. CLIA estimates that at least 70% of cruise bookings in Australia are made through travel agents. With many cruise bookings being high value compared to other forms of travel, travel agents rely on commissions paid by cruise lines as a key part of their business. In 2019-20, cruise lines paid over \$142 million in commission to Australian travel agents. In the post-Covid environment, where domestic bookings will yield relatively low commissions for travel agents and international air travel may be less affordable, we see the cruise sector as providing an important revenue stream for Australian travel agents.

Destinations such as the Kimberley also provide opportunities for First Nations communities to directly benefit from cruise visits, for example through sales of Indigenous art, the provision of local tour/guide services to cruise passengers and the payment of visitor levies. As an example, Wijingarra Tours runs Aboriginal immersion tours on the remote Kimberley coast, employing guides from the Arraluli clan of the Worrora to offer authentic cultural experiences and selling paintings for Aboriginal artists in the tribe. Wijingarra Tours relies on international expedition ships to support 90% of its business. To provide an idea of the scale of cruise's contribution, CLIA understands that just one CLIA expedition operator with two small vessels alone would have generated around \$1.6 million in revenue for Indigenous Kimberley communities during the current cruise suspension.

The map below shows that cruise's economic impact has a strong regional dimension with all states benefiting to various degrees from cruise activity⁴.

⁴ Figures are from AEC Group Pty Limited's Economic Impact of Cruise Tourism in Australia, 2018-19



4. Enhanced health measures adopted by our members

Much has been learnt about the nature of the Covid-19 disease and ways to protect against it since it first emerged in early 2020. The cruise industry's response to the pandemic has been among the most comprehensive and far-reaching of any area of tourism – aimed at upholding health and safety as the highest priority and demonstrating real advances to help restore confidence to governments and travellers.

We did not tackle this from a standing start. Managing the health of our crew and guests is already a core function, and our cruise line members have medical expertise and medical facilities onboard as well as many years' experience responding to emerging health risks including the SARS and Ebola outbreaks prior to Covid-19.

Following the emergence of Covid-19, CLIA and its cruise line members joined with some of the most respected medical experts in the world to develop and implement new Covid-19 health measures that are among the most stringent to be found anywhere in tourism, and arguably in any sector outside health care.

CLIA's COVID-19 Member Policy (which is mandatory for all of our cruise line members) entails comprehensive prevention, detection and response strategies from the time of booking through the duration of the cruise itinerary and at disembarkation.

Protocols include:

- *Measures for Crew:* 100% vaccination and testing of all crewmembers, with a requirement for negative test results, prior to their departure from home, prior to

embarking the ship, upon conclusion of a minimum quarantine period and on an ongoing basis; daily symptom screening, mask-wearing in public spaces and service areas, limited cabin occupancy and access to health support resources, training in new protocols, among others.

- *Measures for Passengers:* A combination of vaccination and testing, including a negative test result prior to boarding, health screening, health declarations, physical distancing, mask-wearing, compliance with public health requirements, staggered guest arrivals and departures, strict adherence to shoreside protocols at ports of call, tracking and tracing, among others.
- *Ship Environment:* Reserved cabins for isolation, physical distancing, air management risk mitigation strategies to increase fresh air flow and deploy enhanced filtration technologies, strengthened sanitation protocols, hand washing stations, signage, among others.
- *Medical:* Augmented shipboard medical staffing, capacity to provide for intensive care of COVID-19 cases, illness reporting, diagnostic equipment, personal protective gear, daily temperature checks for staff and crew, among others.
- *Case Detection and Management:* Immediate isolation for possible or confirmed cases of COVID-19 in pre-designated, reserved isolation cabins, rapid implementation of response protocols to identify and quarantine close contacts, risk-based response plans, screening and testing of disembarking passengers who are close contacts of confirmed COVID-19 cases, among others.
- *Response Mobilisation:* Pre-arranged response logistics for each itinerary for transportation providers, agreed shoreside quarantine and medical response; medical priority to be assigned to disembark confirmed COVID-19 cases as soon as reasonably practical, among others.
- *Implementation, Audit and Review:* Verification of implementation by Member cruise line CEOs; ongoing review to identify opportunities for improvements, among others.
- *Supplemental Procedures Specific to Brands/Ships:* Development of plans as needed to implement this Policy and to reflect all necessary details for ship or fleet-specific prevention, surveillance, and response protocols applicable in the ports and regions in which they operate. Such plans are to also address contractual services, if any, that provide for applicable medical response measures and procedures for transport and care ashore.

5. Conclusion

Australia remains one of the only major markets where there is no plan for cruise restart.

The European Union developed its Healthy Gateways plan last year to support the restart of cruising in Europe. In Singapore around a quarter of a million people have sailed under a comprehensive set of

policies agreed between industry and the government. And similarly in Taiwan, Hong Kong, and soon in Canada.

Based on the latest public information, more than 1.5 million passengers have already successfully sailed globally, and we expect more than 200 ships will be in operation by the end of December - about 80% of the CLIA member fleet of ocean-going cruise ships.

Cruise passengers are representative of the community, and in countries with much higher rates of Covid-19 than Australia, importantly, the new health protocols are working to minimise the impact of Covid-19 on cruise ships. In the rare instances where cases have been detected, the protocols have worked, and cases been dealt with effectively and without further outbreaks.

Each week of operations provides yet more insight and experience to support our efforts to achieve resumption in other locations worldwide.

Our industry's response is also reflected in renewed confidence among travellers. CLIA data shows that 85 percent of cruisers say they are likely to cruise again in the next few years – that figure is back to pre-pandemic levels. Forward bookings for cruises are extremely strong.

Now that Australia has a four-phase National Plan for reopening and specific vaccination targets in place, we need to ensure cruising is included in this plan alongside other areas of tourism.

Cruise operations involve long lead-times, so we need government to work with industry to agree on plans now so that cruise operators and our Australian suppliers are ready when rising vaccination rates allow a careful resumption. To support this, the industry has created its own four-phase pathway for a responsible revival of cruising, tied to the same National Plan and vaccination targets that our governments have agreed upon. It starts small – beginning with limited domestic-only operations within an Australian bubble.

Government cannot simply keep extending the cruise suspension without having a plan for the future.

The cruise industry is ready to engage with the government on the pathway forward, and we need agreement on a framework that will uphold health and safety while allowing cruise tourism to rebuild.

Please let me know if the Committee requires any further information in connection with the industry's position on the *Biosecurity Amendment (Enhanced Risk Management) Bill 2021*, or our plans for a carefully managed resumption of cruising in Australia.

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