

Cruise tourism

- 2.1 Cruising is becoming ever-more popular for Australian tourists, with consistent growth in passenger numbers year after year. In 2011 the number of passengers grew by 34 per cent, and in 2012 they grew by an additional 11 per cent. This trend has been sustained over the past decade: with nearly 700 000 passengers in 2012, Australian cruising is now almost six times the size it was in 2002.
- 2.2 Remarkably, the Australian cruising industry has now had eight consecutive years of double-digit growth,¹ and growth is expected to continue. Carnival Australia, a subsidiary of the world's largest cruising company, states that it 'is focussed on seeing more than one million Australians take a cruise holiday by 2020.'²
- 2.3 The global industry has also seen healthy growth over the past decade, with an almost doubling of total passenger numbers between 2002 and 2012.³ Global cruising operators are very active in Australia, and Australia is one of the two fastest growing cruising markets in the world. It can be expected that such growth will attract further attention from the global industry, potentially expanding the number of cruising operators in the Australian market.
- 2.4 Whilst the growth of the industry is well documented, there remains relatively little information about the rate of crimes at sea. The industry prides itself on its image as a safe way to holiday, claiming that it is safer

1 <http://www.etravelblackboard.com/article/142676/australia-cruising-to-new-heights>, viewed 29 May 2013.

2 Carnival Australia, *About Carnival Australia*, <<http://www.carnivalaustralia.com/about-us/about-carnival-australia.aspx>>, viewed 29 May 2013.

3 Mrs Christine Duffy, Cruise Lines International Association, *Committee Hansard*, 7 February 2013, p. 11; Department of Transport and Regional Services, *Container and Ship Movements through Australian Ports 2004-05 to 2024-25*, 2006, p. 94.

to be on a cruise than to be in a small city let alone a large one.⁴ However, there is a lack of sufficient data to substantiate this claim.

- 2.5 This Chapter will consider the Australian and global cruising industries, including the demographics of cruising passengers, and will discuss the available data about crimes committed at sea.

Box 1 – the death of Dianne Brimble

Accompanied by her daughter, her sister and her sister's daughter, Ms Brimble boarded the P&O Pacific Sky in Sydney on 23 September 2002 for a cruise holiday to the South Pacific.

Tragically, she died on the ship early the next morning, only 100 nautical miles (nm) from the New South Wales coastline. Medical staff on the ship pronounced Ms Brimble dead and notified the NSW Marine Area Command as the death was considered suspicious. An autopsy was conducted on 28 September 2002, which found a lethal level of Gamma Hydroxybutyrate (GHB) in Ms Brimble's body.

The inquest, held by Magistrate Milledge, identified eight men as 'persons of interest'. Despite the inquest's finding that Ms Brimble's death was caused by the effects of GHB, administered by a 'known person', and numerous prosecutions, no manslaughter conviction was secured, and no custodial sentences were imposed.

Following her death, a number of questions were raised regarding the ship's 'party' culture, the harassment of women on board, the preservation of the crime scene, the investigation process and the support provided to Ms Brimble's family on board.

Cruising industry – an overview

- 2.6 The global cruising industry is estimated to be worth US\$36.2 billion in 2013, with growth of 4.5 per cent over the previous year. There were almost 21 million cruising passengers worldwide in 2012, and two companies dominate the industry.⁵
- 2.7 The biggest player, Carnival Corporation & PLC (the parent of Carnival Australia and Holland America) has had (to date) almost 50 per cent of total world-wide passengers in 2013.⁶ Carnival owns many well-known brands, such as P&O Cruises, Cunard, Princess Cruises, Costa and

4 Mrs Christine Duffy, Cruise Lines International Association, *Committee Hansard*, 7 February 2013, p. 15.

5 Cruise Market Watch, *2013 World Wide Market Share*, <<http://www.cruisemarketwatch.com/market-share/>>, viewed 29 May 2013.

6 Cruise Market Watch, *2013 World Wide Market Share*, <<http://www.cruisemarketwatch.com/market-share/>>, viewed 29 May 2013.

Carnival Cruise Lines.⁷ Carnival's total revenue in 2012 was US\$15.2 billion.

- 2.8 The next largest operator is Royal Caribbean Cruises Ltd, which has had just over 23 per cent of total world-wide passengers in 2013.⁸ Royal Caribbean has six brands, including Royal Caribbean International and Celebrity Cruises.⁹ Royal Caribbean's 2012 revenue was US\$7.7 billion.
- 2.9 The remaining 28 per cent of the market is shared by over 30 smaller companies, of which the largest accounts for roughly 7 per cent of total passengers.¹⁰
- 2.10 The cruising industry is acutely sensitive to customer perceptions and concerns, particularly relating to health and safety. As noted by the Bureau of Transport and Regional Economics:

Australia's international cruise shipping market grew strongly until 2000-01 ... and then it declined sharply in 2001-02 and 2002-03, largely as a result of the September 11 terrorist attacks in the USA and the Severe Acute Respiratory Syndrome (SARS) epidemic in Asia.¹¹

A considerable reduction in passenger numbers occurred in these two years:

The total (both inbound and outbound) number of international sea passengers increased by an average annual rate of 17.9 per cent a year during 1993-94 to 2000-01 and then declined by 32.5 per cent in 2001-02 and 36.7 per cent in 2002-03.¹²

Whilst the number of passengers subsequently returned to, and surpassed the levels before that period, it remains an important demonstration of the susceptibility of the cruising industry to customer perceptions about health and safety.

- 2.11 A more recent example is that of the *Costa Concordia* grounding and sinking, which had immediate implications for Carnival Corporation, the ship's operator. As stated in a Carnival Corporation media release:

7 Carnival Corporation & PLC, *Corporate Fact Sheet*, <<http://phx.corporate-ir.net/phoenix.zhtml?c=200767&p=irol-factsheet>>, viewed 29 May 2013.

8 Cruise Market Watch, *2013 World Wide Market Share*, <<http://www.cruisemarketwatch.com/market-share/>>, viewed 29 May 2013

9 Royal Caribbean Cruises Ltd, *2012 Annual Report*, p. 2.

10 Cruise Market Watch, *2013 World Wide Market Share*, <<http://www.cruisemarketwatch.com/market-share/>>, viewed 29 May 2013.

11 Department of Transport and Regional Services, *Container and Ship Movements through Australian Ports 2004-05 to 2024-25*, 2006, p. 93.

12 Department of Transport and Regional Services, *Container and Ship Movements through Australian Ports 2004-05 to 2024-25*, 2006, p. 93.

Since the date of the *Costa Concordia* incident in mid-January through February 26 [2012], fleetwide booking volumes, excluding Costa, have shown improving trends but are still running high single digits behind the prior year at slightly lower prices. There has been less impact on the company's North American brands than European brands. Booking volumes for Costa during the same period are running significantly behind the prior year at lower prices, however, Costa has curtailed virtually all of its marketing activities during this period.¹³

The Australian cruising market

2.12 Australia represents 3.4 per cent of the global cruise market, and Carnival Australia has the majority of cruising business in the Australian market.¹⁴ Royal Caribbean has a smaller presence in Australia, but in 2012 expressed its intention that:

In 2013, we will continue to focus on the development of key markets in Asia and we will focus on sourcing guests and adding capacity to other markets where we expect significant growth and profitability, such as Australia.¹⁵

2.13 The Australian cruising market is the amongst the healthiest in the world, measured in a number of different ways:

- Market penetration – 3% of Australians went on a cruise in 2012, which is second only to the USA, in which 3.3% of the national population went on a cruise;
- Growth in numbers – the Australian market grew by 11% in 2012, the highest rate of growth, equalled only by Germany;
- Continued growth – as noted above, the Australian market has grown by at least 10% for eight years in a row; and
- Annual average growth – the average yearly growth of the market, over the past decade, is 20%.¹⁶

2.14 Cruising is also performing very well in comparison with other Australian tourism sectors:

The Australian cruise sector has undergone strong growth in the last five years. This growth has taken place against a backdrop of

13 Carnival Corporation & PLC, *First Quarter Results*, 9 March 2012.

14 Carnival Australia, *Submission 9*, p. 2.

15 Royal Caribbean Cruises Ltd, *2012 Annual Report*, p. 46.

16 Cruise Lines International Association Australasia, *Cruise Industry Report Australia 2012*, pp. 8-9.

stagnation in the wider tourism sector (as measured in total visitor nights). International tourism to Australia, while having grown in visitor nights, has been affected in recent times by the exchange rate through lower yields. Likewise, the domestic tourism sector has struggled as the exchange rate has made overseas travel relatively more affordable for Australian travellers.¹⁷

- 2.15 Research commissioned by Carnival Australia has estimated the contribution of cruising to the Australian economy, finding that in 2010-11, 'the cruise sector contributed almost \$830 million in value added to the Australian economy.'¹⁸ The report also forecasted that, by 2020, the industry would contribute \$2.28 billion to the Australian economy, and that by 2020, 'the cruise tourism contribution as a proportion of Australian GDP is expected to double to 0.12%, from 0.06% in 2010-11.'¹⁹
- 2.16 The vast bulk of passengers who depart on cruises from Australian ports are Australians, at 86%. The remaining 14% are foreign tourists who fly to Australia and then board cruises. Whilst many Australians board cruises in Australian ports, Australians are also increasingly flying to other countries and then going on cruises.²⁰

Box 2 – the disappearance of Paul Rossington and Kristen Schroder

Mr Rossington and Ms Schroder were travelling on board a Carnival cruise ship in May 2013. When the ship docked at the Sydney Overseas Passenger Terminal, they could not be found on board.

A review of security camera footage confirmed that the pair had gone overboard, almost 15 hours before the ship reached Sydney. It was only when the ship docked that their absence from the ship was discovered.

A search commenced in the area where the pair were believed to have gone overboard. The NSW Police's Marine Area Command, the Australian Maritime Safety Authority and Royal Australian Navy conducted the search, over an area of 1360 square nautical miles.

On Friday 10 May 2013, NSW Police called off the search as they were unable to locate any sign of the couple.

At the time of preparing this report, their disappearance remained under investigation.

17 Deloitte Access Economics Pty Ltd, *The economic contribution of the cruise sector to Australia*, February 2012, p. 5.

18 Deloitte Access Economics Pty Ltd, *The economic contribution of the cruise sector to Australia*, February 2012, p. 5.

19 Deloitte Access Economics Pty Ltd, *The economic contribution of the cruise sector to Australia*, February 2012, p. 6.

20 Cruise Lines International Association Australasia, *Cruise Industry Report Australia 2012*, p. 9.

Cruising demographics

- 2.17 Of Australian cruising passengers, most come from New South Wales and Queensland, although the Australian Capital Territory has the highest percentage of residents cruising (at 5.5%).²¹ Most Australian cruising passengers depart from Australian ports, with departures available from all mainland state capitals.²²
- 2.18 The popularity of cruising differs according to age group. In 2012, one-third of Australian passengers were aged 61 years and over. The full range of age groups is as follows:
- Under 40 25%
 - 41 – 45 14%
 - 46 – 50 8%
 - 51 – 55 9%
 - 56 – 60 11%
 - 61 – 65 11%
 - 66 – 70 10%
 - Over 70 12%
- 2.19 Cruise Lines International Association notes that, with 25% of passengers under the age of 40, cruising is popular amongst families.²³ Carnival Australia has attempted to make its cruises more appealing to families, and has banned so-called ‘schoolies cruises’. It has applied for and received an exemption from the Human Rights and Equal Opportunities Commission for this ban. Additional steps have been taken to make cruises more family-oriented:
- The marketing emphasis has shifted to promote cruising as a relaxed family holiday for all age groups;
 - The former 'party ship' focus has been eliminated;
 - Former practice of permitting quad cabins to be shared by unrelated passengers has been stopped.²⁴

Further discussion of schoolies cruises is in Chapter 4.

21 Cruise Lines International Association Australasia, *Cruise Industry Report Australia 2012*, p. 8.

22 Cruise Lines International Association Australasia, *Cruise Industry Report Australia 2012*, p. 8.

23 Cruise Lines International Association Australasia, *Cruise Industry Report Australia 2012*, p. 9.

24 Carnival Australia, *Submission 9*, p. 6.

Foreign involvement in the Australian market

- 2.20 The Australian cruise market is growing very quickly, and Australians are increasingly going cruising. However, in contrast to many passengers' expectations, the industry is largely regulated beyond Australia.
- 2.21 Whilst Carnival Australia is an Australian company, its parent company is based in Florida and the United Kingdom (UK); Royal Caribbean Cruises Australia operates out of Sydney, however Royal Caribbean International is also based in Florida.
- 2.22 As noted by the Government Response, there are currently no 'large passenger vessels' registered (or 'flagged') in Australia.²⁵ In many circumstances, the law of the 'flag-state' will apply on-board a vessel, even when it is in the waters of another country. The legal reasons for this will be discussed in Chapter 3, as this has significant consequences for the extent of Australian jurisdiction over what happens on cruising vessels in Australian ports or with Australian passengers.
- 2.23 Despite Carnival and Royal Caribbean being American and UK companies, their vessels are often registered outside those countries. For example, there is only one cruise ship registered in the United States of America (USA), despite being the largest cruising market.²⁶
- 2.24 Many cruising vessels are not flagged in the countries of their owners, and are rather registered in countries that offer attractive conditions and light regulation of shipping. Often said to be 'flags of convenience', these countries have registries far bigger than their national shipping would fill. Many of these countries rely on the registration fees of the vessels for revenue. The International Transport Workers' Federation (ITWF) maintains a list of countries it considers to be 'flag of convenience countries', which includes some of the countries with high numbers of cruise ship registrations, such as Bermuda, the Bahamas and Panama.²⁷
- 2.25 Reliable statistics for the entire industry are hard to come by, but in 2000, '90 of the world's 223 cruise ships were registered in Panama or Liberia.'²⁸
- 2.26 Given this lack of information, the Committee asked both Carnival Australia and Royal Caribbean Cruises to provide details of the flagging of their vessels that are expected to visit Australia in future. Carnival

25 Government Response, Appendix F, p. 7.

26 Norwegian Cruise Line, *Pride of America: Overview*, <http://www.ncl.com/cruise-ship/pride_amer/overview>, viewed 29 May 2013.

27 International Transport Workers' Federation, *FOC Countries*, <http://www.itfglobal.org/flags-convenience/flags-convenien-183.cfm>, viewed 31 May 2013.

28 A Wright, 'Beyond the Sea and Spector: reconciling port and flag state control over cruise ship onboard environmental procedures and policies', *Duke Environmental Law & Policy Forum*, 18:215, p. 220.

Australia provided a table of ships in the group 'that are booked to visit Australia until 2019'. Of the 24 ships listed, thirteen are flagged in 'flags of convenience' states (they appear on the ITWF list). These states are Bermuda, Panama, Malta and the Bahamas.²⁹ Royal Caribbean Cruises provided details of ships in its 'published cruise programs through to April 2015', of which there are six. All six ships are flagged in states that the ITWF considers 'flags of convenience' states, being the Bahamas and Malta.³⁰ The details of these ships are published at Appendix I.

Crimes on cruises

2.27 Cruise ships can accommodate thousands of people, and the largest cruise ship can carry a maximum of 6 296 passengers and 2 394 crew members.³¹ As noted by numerous submissions, this amounts to the population of a small town, in which there will always be a certain level of crime. As pointed out by the International Cruise Victims Association:

Crime on a cruise ship is no less an undeniable reality than it is for any rural town or metropolitan city. After all, cruise ships, which now have the capability to embark over 6000 passenger and over 2000 crew members, are small floating cities. It is unrealistic to believe that even in the enclosed environment of a cruise ship that criminal activity stops at the gangway; especially since the ship does not have a police force.³²

2.28 As for the actual level of crime on cruise ships, Carnival Australia stated that 'the rate of alleged crime on cruise ships is significantly less than that of the general community.'³³ Dr Kate Lewins, in evidence that was supported by Carnival Australia³⁴, suggested that:

With such a concentrated population, one might expect that cruise ships would suffer the same rate of crime per head of population as a town of equivalent size. However, industry statistics show that the rate of crime on cruise ships is very low indeed, even pegging the likelihood of being the victim of crime on a cruise ship as being the same as the risk of being hit by lightning.³⁵

29 Carnival Australia, *Supplementary Submission 9.2*.

30 Royal Caribbean Cruises Ltd, *Submission 23*.

31 <http://maritime-connector.com/worlds-largest-ships/>.

32 International Cruise Victims Association, *Supplementary Submission 12.2*, p. 7.

33 Carnival Australia, *Submission 9*, p. 7.

34 Carnival Australia, *Submission 9*, p. 7.

35 Dr Kate Lewins, *Submission 1*, p. 1.

- 2.29 Whilst there is clearly a belief that crimes on cruise ships are rare – and the rate of crime lower than in the general community – there are also factors on cruise ships that would tend to increase the probability of crimes. As also pointed out by Dr Lewins:
- ... the population aboard [a cruise ship] is transient. Passengers include vulnerable people such as children, the disabled and the elderly. Alcohol flows freely and inhibitions can be low. Multiply these risk factors across the current fleet of approximately 200 cruise ships sailing internationally and it is impressive that crimes on board cruise ships are not more prevalent.³⁶
- 2.30 In respect of sexual assault, for example, Holiday Travel Watch suggested that:
- There is a general acknowledgement that vulnerability will arise and that the propensity for sexual attacks will increase when the victim has been drinking (or taken drugs).
- There is also a general assumption that persons relaxing on board a ship are more likely to "let their guard down" and to perhaps drink more than if not on holiday.
- It is therefore a possibility that this combination makes persons easy targets for offences to be committed against them...³⁷
- 2.31 Beyond this generalised picture, however, there is a lack of comprehensive and independent data about the prevalence of crimes on cruise ships. It must also be remembered that not all victims will report a crime³⁸, and so the level of criminality is likely higher than any official reporting suggests.
- 2.32 Chapter 4 considers the responsibility of cruising operators to report crimes and alleged crimes to law enforcement authorities.
- 2.33 In the following two sections, crime statistics for Australia and the USA are considered. While statistics from the USA are more comprehensive, they can only provide a general indication of what complete Australian crime statistics might be, if available.

Australian crime statistics

- 2.34 The Committee sought to obtain the best available statistics on crimes committed against Australians at sea. Such data, inasmuch as it is available, tends to be collected by law enforcement agencies. However,

36 Dr Kate Lewins, *Submission 1*, p. 1.

37 Holiday Travel Watch, *Submission 3*, p. 12.

38 Holiday Travel Watch, *Submission 3*, p. 14.

evidence tended to emphasise the undifferentiated nature of any such statistics. For example, the South Australian Police submitted that:

While [South Australian Police] data management systems do not enable crimes at sea to be readily identified it is believed that SAPOL's involvement in such matter, should it have occurred, would be limited to death/s through illness or violence between crew members. The Criminal Investigation Branch (CIB) with overall responsibility for managing the response advise that there have been no incidents reported to SAPOL in recent years of offending within coastal waters or Territorial Sea where SAPOL was required to respond.³⁹

- 2.35 The New South Wales Police Force (NSWPF) also indicated that its data is relatively unsophisticated, though it does enable the identification of broad trends:

The NSWPF have identified an estimated 91% increase in Cruise ship visitation and 11% increase in international freight into NSW ports between 2008 and 2012. However, NSWPF records indicate that there has been no marked increase in reported crime during the same period.⁴⁰

- 2.36 Evidence suggested that there are no reliable, national statistics on crimes committed against Australians at sea. As described by Commander Errol Raiser (Australian Federal Police) there are a number of potential collectors and holders of data, without any clear national reporting process:

We potentially would have data not held by the states and territories. I think I mentioned earlier that we may receive a referral from [the Australian Maritime Safety Authority] that may not go to the states and territories. There is, as far as I am aware, no centralised consolidated recording of all crime types. It is appropriate that I mention whaling. In the Federal Police, my area, we look after whaling. I do not think any of the jurisdictions would have any record of that type, and yet we would argue that that certainly falls within the bailiwick of crimes at sea, albeit not to your questions around the safety of passengers. So, equally, the risk with collecting that type of data is that you create as many questions as you might answer.⁴¹

39 South Australian Police, *Submission 21*, p. 1.

40 New South Wales Police Force, *Submission 20*, p. 1.

41 Cmdr Errol Raiser, Australian Federal Police, *Committee Hansard*, 15 February 2013, p. 25.

- 2.37 The South Australian Commissioner for Victims' Rights noted the difficulty of accessing statistics on crimes committed at sea:

Unfortunately, I was unable to attain local and national crime statistics pertaining to crimes at sea. The South Australia Police record crime on vessels and ships but it is not readily evident which of those crimes happened on, for instance, a cruise ship docked in local waters. Approximately 50 to 100 crimes that happened on either a vessel or ship each year for the past three years are known to the police in South Australia. Notwithstanding the lack of data[,] information gleaned from international sources show violent and property crimes [can] happen on ships; indeed, ... such crimes cover much of the array of offences in Australia's criminal laws.⁴²

- 2.38 The Attorney-General's Department provided information about Australian involvement in the prosecutions of crimes that occurred beyond 12 nautical miles from the Australian coast. For such Australian prosecutions (under the *Crimes at Sea Act 2000*) the Federal Attorney-General must give consent, and this is discussed in greater detail in Chapter 3. The Department provided a table containing the 'outcomes of all prosecutions that have proceeded following consent being issued by the Attorney-General under the *Crimes at Sea Act*', which included 8 prosecutions between 2001 and 2013.⁴³ The crimes prosecuted included manslaughter, murder, assault, theft, indecent acts and theft.
- 2.39 In contrast to the Australian picture, statistics relating to US citizens are somewhat more complete, as discussed below.

US crime statistics

- 2.40 There are more comprehensive sources of crime statistics relating to the USA, particularly through the work of criminologists. This has been supplemented by the reporting requirements of the *Kerry Act*, which is also discussed below.
- 2.41 Dr James Fox, Professor of Criminology at Northeastern University in Boston, USA, has compared the number of crimes on board ships that embark from or disembark to US ports that were reported to the FBI (Federal Bureau of Investigation, USA) and subsequently no longer under FBI investigation with the number of similar crimes cleared by 'arrest or exceptional means' in selected US cities of various size.⁴⁴

42 Commissioner for Victims' Rights, South Australia, *Submission 7*, p. 2.

43 Attorney-General's Department, *Submission 22*, Attachment A.

44 Exhibit 1, p. 1.

- 2.42 According to Dr Fox, the rate of crime overall on cruise ships is lower than that of most US cities.⁴⁵ The average rate of sexual assaults on cruise ships does, however, exceed the comparable rate of some US cities.⁴⁶ The rate of sexual assault differs among cruise lines, with Holland America and Disney Cruise Line's rates higher than the US averages.⁴⁷
- 2.43 Dr Ross Klein, Professor of Social Work at the Memorial University of Newfoundland, Canada, told a US Senate Committee hearing in 2008 that:
- The integrity of [industry] data is unclear (e.g., what definitions were used to include/exclude incidents) given that it has not been available for independent analysis and verification.⁴⁸
- 2.44 Dr Klein notes that Royal Caribbean International was required to disclose data on sex-related incidents during a lawsuit. The data demonstrated that the rate of sexual assault on Royal Caribbean cruise ships between 2003 and 2005 was almost twice that of the US land rate.⁴⁹
- 2.45 Dr Klein and Dr Jill Poulston obtained FBI data of crimes reported by cruise ships in 2007-2008 through a Freedom of Information request.⁵⁰ It showed that one cruising line reported 92 sex-related incidents, or 115 per 100 000, during that period, which averaged to four incidents per ship.⁵¹ According to the authors, comparable statistics do not exist for the USA, but in the case of Canada, the rate of sex-related incidents reported in 2007 was 68 per 100 000.⁵²
- 2.46 Since the *Kerry Act* was passed in the US in 2010, all incidents on US-owned vessels or in US territorial waters and all incidents involving US citizens on the high seas or on a vessel that departed from or will arrive at a US port, must be reported to the FBI.⁵³ The *Kerry Act* also requires that these reports be collated and made publicly available on a website on a quarterly basis.⁵⁴

45 Exhibit 1, p. 2.

46 Exhibit 1, pp. 4-5.

47 Exhibit 1, p. 3.

48 Dr Ross Klein, Testimony to US Senate Committee on Commerce, Science, and Transportation, Hearings on "Cruise Ship Safety: Examining Potential Steps for Keeping Americans Safe at Sea", 19 June 2008, p. 4.

49 Dr Ross Klein, Testimony to US Senate Committee on Commerce, Science, and Transportation, Hearings on "Cruise Ship Safety: Examining Potential Steps for Keeping Americans Safe at Sea", 19 June 2008, p. 5.

50 Dr Jill Poulston, *Submission 5* (Attachment A), p. 7.

51 Dr Jill Poulston, *Submission 5* (Attachment A), p. 7.

52 Dr Jill Poulston, *Submission 5* (Attachment A), p. 8.

53 Section 3507(g)(3)(A)(1), Title 46 (shipping), USA Code.

54 United States Coast Guard, *Cruise Line Incident Reporting Statistics* <<http://www.uscg.mil/hq/cg2/cgis/CruiseLine.asp>> viewed 25 February 2013.

- 2.47 However, shortly before the legislation was enacted, an amendment was made that limited the information required to be released.⁵⁵ Only reported crimes that have been under FBI investigation and subsequently closed are published.⁵⁶ This means that alleged crimes that the FBI does not investigate, has not finished investigating, or are investigated by another jurisdiction (such as state police) are not recorded on the website.

Committee Comment

- 2.48 The cruising industry continues to grow around the world. Despite events that can dampen demand – such as the SARS outbreak and the global financial crisis – cruising is now twice the size it was a decade ago.
- 2.49 Cruising in Australia has grown with even more speed than the rest of the world: there are now five times as many Australians cruising as there were in 2002. The growth of the Australian market continues to be very strong, with eight years of growth above 10%. Companies that operate in the Australian market are benefiting from very high consumer demand, and foresee continued growth with the expectation of 1 million annual passengers by the end of the decade.
- 2.50 Now is a particularly appropriate time for a review of the industry and Australian regulation of cruising: the industry is strong, healthy and continues to grow. Additionally, there have never been so many Australian citizens taking cruises, and so it is appropriate for the Australian Government to consider how it might better protect Australians who take cruises.
- 2.51 However, there are impediments to Australian regulation of this industry. The cruise companies that carry most Australian passengers are based in other countries, and none of the vessels are registered in Australia.
- 2.52 Further complicating policy in this area, there is a serious deficit of data about the prevalence of crimes committed at sea. Governments have limited information to inform action; short of the occasional tragedy reported in the media, Australian consumers do not have a source of information about the safety of cruising. The cruising industry may well advance its genuine belief that crimes at sea are rare, but there is no independent source of data to inform government policy or prove the rarity of crimes to consumers.

55 Dr Kate Lewins, *Submission 1*, p. 18; Ross Klein, Testimony to US Senate Committee on Commerce, Science, and Transportation, Hearings on “Oversight of the Cruise Industry”, 1 March 2012, pp. 11–12.

56 Section 3507(g)(4), Title 46 (shipping), USA Code.

- 2.53 In the absence of data, widely-reported tragedies will remain a central source of safety information for consumers who are considering taking a cruise – however misleading this may be. To enable cruising operators to prove their claims about the safety of cruising, and for consumers to have access to accurate information, the compilation of data and statistics for crimes committed at sea is essential
- 2.54 To this end, the Committee recommends that the Australian Institute of Criminology compile and maintain statistics on crimes committed at sea by or against Australians. This work should be coordinated with police agencies and the mandatory reporting scheme recommended in Chapter 4.

Recommendation 1

- 2.55 **The Committee recommends that the Australian Institute of Criminology should compile, maintain and publish statistics on crimes committed at sea by or against Australians.**