

Dear Ms Lynelle Briggs and Emeritus Professor Nicholas Gaskell and Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Re: Independent review of the Coastal Trading Act 2012

Thank you for offering Destination NSW the opportunity to provide feedback on the *Coastal Trading (Revitalising Australian Shipping) Act 2012*.

Destination NSW is the lead agency, champion and voice of the visitor economy within the NSW Government.

The visitor economy plays a critical role in fostering sustainable economic growth across the state and is the fifth largest export earner in NSW, contributing about 6 per cent of Gross State Product.

On 8 October 2024, the NSW Government released a series of recommendations from a Government-appointed steering committee review relating to the NSW Visitor Economy Strategy 2030. The recommendations include a commitment to an ambitious new visitor expenditure stretch goal of \$91 billion by 2035. Destination NSW is now preparing a refreshed Visitor Economy Strategy on the basis of the recommendations in the steering committee's report. The core of the 2035 strategy will be a focus on experience tourism, reflecting the growing consumer desire to connect authentically with local culture, and encourage regional dispersal, increasing visitation to regional NSW.

The ambitions of the refreshed NSW Visitor Economy Strategy align with THRIVE 2030, the Australian Government's strategy for the Australian visitor economy. THRIVE 2030 supports growing the cruise industry by improving visitor economy infrastructure and converting cruise participation into domestic spend, particularly in regional communities. Additionally, the national strategy suggested a review of current regulatory conditions and reducing red tape to increase visitation.

The cruise sector plays an important role in growing the visitor economy of NSW and this will be reflected in the NSW Visitor Economy Strategy 2035, to be released in early 2025. Data from Cruise Lines International Association and the Australian Cruise Association shows that NSW is the leading national cruise destination, with Sydney having nearly double the number of cruise visits of its closest competitors (310 visits to Sydney versus 162 visits to Brisbane). The total economic output of the cruise industry reached \$4.4 billion in the 2023-24 season, an increase of 60.4 per cent on the previous year, supporting 13,714 full time equivalent roles. After a strong year in 2023/24, there is a risk that increases in costs and an uncertain regulatory environment may stall this growth and impact the sustainability of the sector into the future.

Destination NSW supports initiatives that reduce regulatory burden on the cruise industry, allowing cruise operators to plan and operate with confidence over the long term and facilitate visitor economy growth in conjunction with a vibrant cruise sector.

In this context, Destination NSW supports an extension of the Section 11 exemptions for the passenger cruise industry and would welcome a permanent exemption of the sector from this component of the *Coastal Trading (Revitalising Australian Shipping) Act 2012*.

Thank you for your attention to this matter and for your support of the NSW visitor economy.