Thursday 1 November 2012

### Carnival concern about transition plan

The Carnival response to the planned Travel Industry Transition Plan warns of a more direct sales approach.

**CRUISE** giant Carnival Australia has built its business on strong relationships with the travel industry, but according to a submission to the government's inquiry into the proposed



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consumer protection reforms, it may consider alternative methods of distribution.

The submission shows that Carnival is concerned about the removal of the Travel Compensation Fund as well as travel agency licensing requirements - as already agreed on by government ministers in jurisdictions from across the country.

The Carnival submission to the Policy and Research Advisory Committee of CAANZ says that of the 190,000 bookings made through Carnival Australia in 2011, more than 81% were made by licensed travel agents who are currently covered by the TCF.

However it claims that if the changes that are in the process of being implemented are finalised, in the case of an agent collapse "there will be significant pressure on the operator to honour the booking even if the fault lies with the travel agent.

"This will inevitably mean operators such as us will need to reassess the ways in which we use agents as a distribution channel," the submission warns.

And it spells out exactly what that means, stating that "without a collective approach to ensuring the financial stability of agents, we may find it more attractive to drive direct sales".

Other possible actions foreshadowed include following the example of "certain UK operators" who insist that customers pay Carnival directly for their bookings when they use an agent, and "this might in turn have an effect on the usage of travel agents".

Other mitigation against the risk of dealing with insolvent agents "might mean smaller agents are not given the opportunity to sell an operator's products if they cannot meet whatever criteria the operator puts in place".

Asked to comment, Carnival told *CW* it believed it was "essential for the regulators to understand the importance of maintaining appropriate safeguards for consumers," adding that it believes its relationship with agents will "continue to grow and prosper".

#### **ALL THE CRUISE NEWS**

Today's trade issue of **CW** features five pages jam packed with all the latest news.

#### Trade winner of Costa prize

**CONGRATULATIONS** to Jessica Southgate from Cruise Travel Centre, who was selected as the travel industry winner of our recent Costa Cruises competition.

The competition asked readers to nominate why they would like to win, with Jessica's winning answer being:

It would be a privilege if I had the opportunity to cruise on your magnificent cruise liners. I have always dreamed of going to Asia but have not yet had an opportunity to travel there. I could not think of a better way to experience this magnificent destination than doing it whilst on a Costa cruise ship.

Jessica's prize includes a seven night voyage on board *Costa Victoria* from Singapore to Malaysia and Thailand in an ocean-view premium twin cabin, valued at over \$4000.

#### **Head North for Christmas**

**NORTH** Star Cruises is offering a series of four day cruises from Sydney to help celebrate the upcoming festive season.

The first voyage departs at 5pm on Christmas day, allowing passengers to "fulfil their family obligations" before slipping away for a treat.

The four day itinerary will travel from Sydney Harbour along the northern beaches, into Pittwater and onwards to the Hawkesbury River and then return.

A second departure will take place on 30 December, allowing guests to enjoy New Year's Eve in style.

The 150-foot *True North*, which is more often found cruising the Kimberley, has just 18 cabins and is "appointed with all the comforts and space of a five star hotel" plus an extensive program of optional excursions.

For details of the itinerary and more information see www.northstarcruises.com.au.



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### Maturation of our **Cruising Market**

Whilst we are experiencing the best growth phase in our regions cruising history, we should be mindful that natural cyclical ebbs and flows may eventually provide challenges to these record figures.

But they ARE challenges we can overcome! Cons: With new fuel laws regulating incrementally by 2020, higher operational costs in our waters may eventually have an impact on pricing, as will newly proposed port taxes for some local ports. Therefore this potential increase in cruise fares in years to come when coupled with our inability to provide new itineraries due to our limited domestic port infrastructure (in global terms), our current local inventory will be tested to remain as strong as it is.

Pros: Our current 2.7% penetration market (second highest in the world) means we now have a LOT of Australians cruising. While there is a chance we may not continue in future years to have 68% of them cruising locally, current cruise passenger satisfaction ratings of 94%+ (which is extremely high) indicate our young cruising market will start

And much like the US when their market first matured, our current market will venture into new areas such as Asia (which is predicted to grow strongly), and Europe, who will have greater deployment once world economic stability returns, not to forget river cruising which is on the precipice of record booms.

Therefore to overcome stagnation, retail growth is dependent on nurturing clients from close to home experiences to further afar cruises, while it is now up to our governments to keep our domestic appeal strong with infrastructural support.

### Classic International season may sink

Classic International Cruises has been placed into administration, with significant uncertainty about whether its planned Australian season will operate.

IT was to have been the ninth consecutive year of cruising operations from Australia by Classic International Cruises, but the 2012-13 Australian cruise program by MV Athena has been placed under a cloud of uncertainty due to financial problems in Europe.

The appointment of Lawler Partners as voluntary administrators of the company (CW breaking news yesterday) follows a frantic scramble to source an alternative vessel to operate the local season, after an issue with bankers led to Athena being detained in a French port for non-payment of bills.

As revealed in Tuesday's Cruise Weekly, Classic International Cruises Australia (which was not associated with the bad debt) had just days ago confirmed that the season would go ahead, utilising the German vessel MS Delphin which had been chartered to replace Athena.

However it now appears that was a vain hope, with Lawler Partners appointed yesterday after an apparent hiccup in the availability of the Delphin.

According to a statement, CIC Australia had been working with the owners of Athena to confirm its availability for the 2012-13 voyages, and had also "been in negotiations to source an alternate vessel to back up Athena in the event that it remains unavailable.

"A backup was found, however CIC Australia was notified on 30 October 2012 that a final agreement may not be reached because of delays prior to the scheduled departure of the cruise from Marseille, France on 12 November 2012," Lawler Partners said.

Once they received this news, the management of CIC Australia sought immediate advice and this led to the company being placed into administration.

The company said that although "future

bookings have now been placed on hold," the administrators intend to continue to try to source a suitable vessel for the season which is believed to have as many as 7,000 bookings.

Consumers are being urged to contact travel agents in relation to their future travel arrangements, while those wishing to register a claim with the administrators can complete an "Informal Proof of Debt Form" which is available on the Lawler Partners website at www.lawlerpartners.com.au (CLICK HERE).



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CRUISE

# **Record number of industry events**

Cruise industry colleagues can look forward to more ship walkarounds, famils and functions this season.

**CONSUMERS** are not the only people to benefit from the unprecedented number of cruising options in Australia and New Zealand in 2012-13, as thousands of travel agents and suppliers will also be invited to experience the latest offerings.

"With our cruises visiting most of Australia's major cities, plus two new ships joining us this summer, we expect to host a record number of travel agents onboard through our walkaround program, special onboard events and familiarisation cruises," Adam Armstrong, commercial director Australia, Royal Caribbean Cruises, told *CW*.

"With Voyager of the Seas and Celebrity Solstice being new to the market, we particularly want to ensure that our industry partners know first-hand what sets those ships apart."

Armstrong said another main focus would be showing off the improvements on *Rhapsody of the Seas*, which has returned for a sixth season.

"Already an Australian favourite, she is sailing here for the first time after her \$54-million revitalisation and I know that many of her agent fans are very keen to take a look at her impressive new amenities," he said.

Carnival Australia is looking forward to hosting close to 4,000 agents at around 60 different onboard events during its biggest ever program across a range of brands including P&O Australia, Princess, Cunard and many others.

With 19 ships from the company's various fleets in Australians waters, director of sales Don Clark said there would be lots of opportunities for agents to jump onboard during January, February and March.

"The summer cruise season gives us a great chance to show off our fleet and let agents get a firsthand experience of the product so they can really understand the points of difference," Clark said.

About 2000 agents have already had a taste of the booming cruise season, having enjoyed the hospitality of Carnival Cruise Line's *Carnival Spirit* during her maiden one-night Australian voyage (*Cruise Weekly* last Thu).

And there's lots more to come, because the cruise lines which are based here for the season like Holland America's *Oosterdam* will also be complemented by many other vessels making stops in Australia during their world cruise voyages - providing unique opportunities for local agents to see exactly what they are selling to their clients.

#### **Meet Shackleton and Scott**

**QUARK** Expeditions has announced that descendants of two famous polar adventurers will be "Experts-in-Residence" on a Feb 2013 voyage aboard *Ocean Diamond*.

Jonathan Shackleton (cousin of Sir Ernest Shackleton) and Falcon Scott (grandson of Robert Scott) will be guest lecturers on the 11day Antarctic Explorer voyage which departs 09 Feb 2013 from Ushuaia.

Quark is offering a 50% off second pax deal on the trip - see quarkexpeditions.com.

#### Sandy slams Disney Fantasy

**HURRICANE** Sandy has caused minor damage to Disney Cruise Line's *Disney Fantasy* during its return to Port Canaveral in Florida last weekend.

According to internet posts by passengers on board, doors were shattered and crockery was smashed due to a "violent tossing of the ship," with the ship's captain advising those on board to remain in their staterooms.

Disney Cruise Line said that "overall the ship is fine," with some cracked windows and furniture damage, and is continuing its current itinerary, a seven night voyage in the Western Caribbean.

**MEANWHILE** ports on the US east coast are mopping up after the huge storm, with the Port of New York and New Jersey expected to reopen today or tomorrow.

'Frankenstorm' caused major ructions, interrupting power and causing flood and wind damage, while the closure of the port meant that some vessels including *Norwegian Gem* and *Crystal Symphony* were diverted.

#### **Gold Coast cruise battle**

**THE** cruise industry will receive some unwelcome attention on the Gold Coast this weekend, with a number of protests against proposed cruise terminals set to take place,

Gold Coast City Council has backed plans for a cruise ship dock at Southport Spit, while a \$2 billion private terminal proposal for Billinga by businessman Bob Ell is also under consideration.

A coalition of diverse groups including divers, surfers, fishers and environmentalists have reportedly joined forces to oppose the expansion of cruise ship facilities on the Gold Coast - despite a recent Gold Coast Tourism report which found that the terminals could inject as much as \$180 million into the local economy as well as creating thousands of jobs.

The protesters don't agree with the economic benefits, and are worried about the potential to damage the marine environment as well as privatise public land.

According to the *Gold Coast Bulletin* a number of high profile protesters include 11 time surfing world champion Kelly Slater.

The Save Our Spit Alliance says it's expecting thousands to attend a rally this Sunday, while another protest organised by the Save Our Southern Beaches Alliance is planned for tomorrow against the Ell proposal.

A spokesperson for the protesters said they would "prefer Brisbane to be the major destination for a cruise ship terminal".

# **\$SILVERSEA®**

#### **DOCUMENTATION COORDINATOR**

Silversea owns and operates a fleet of six 'boutique' cruise ships and is recognised as the market leader in the ultra-luxury sector. A position is available for a Documentation Coordinator based in their Sydney CBD office.

Reporting to the Reservations Manager, this role requires you to prepare, package and distribute accurate pre-cruise information and final documentation in a timely manner, manage the inventory for all documentation materials, liaise with reservations and provide prompt responses to special requests.

To apply for this role you must have a good attention to detail plus strong verbal and written communication skills.

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#### **Antarctic presentation**

A NEW PowerPoint presentation to help travellers understand how climate change is affecting Antarctica has been made available by the International Association of Antarctica Tour Operators.

It's expected that IAATO members will use the material for shipboard lectures during voyages to Antarctica, the information is also an ideal asset for travel agents wanting to spark interest in or answer questions about cruises to Antarctica.

It's online now at www.iaato.org.

## Time to enter 2012 Industry Awards

Travel agents can now selfnominate for three cruise promotion awards in the annual Australasian event.

**SUBMISSIONS** opened yesterday for the ICCA's Cruise Industry Awards, with agents urged to indulge in some self-promotion.

The awards available to agents include 2012

Agency Promotion of the Year in Australia and New Zealand and the 2012 Network Promotion of the Year Australasia.

"This is a great way for agents to celebrate their creativity and let their clients know that their ideas have been recognised by the industry," said ICCA general manager Brett

The Network Promotion of the Year Australasia award is open to multiple outlets involved in one promotion and has been sponsored by travel jobs specialist InPlace Recruitment.

The Agency Promotion of the Year award recognises single store promotions - Vacations & Travel magazine has sponsored the Australian award, while APT is sponsoring the New Zealand award.

A further 12 prizes are up for grabs across seven different categories in the gala event, which will be held at the Hilton Sydney on Saturday 9 Feb 2013.

Nomination forms for awards can be downloaded from www.cruising.org.au.

Entries must be submitted before 21 December.

Bookings for the awards night, sponsored by Emirates, can also be made via the website.

### Director of Sales - Carnival Cruise Lines

Be part of something big – drive the presence of Carnival Cruise Lines in the Australian market.

Carnival Cruise Lines is part of Carnival Corporation, the world's leading cruise holiday company. Cruising is the fastest growing segment of tourism in Australia, and Carnival Cruise Lines is the newest entrant into the Australian market, with the recent arrival of Carnival Spirit.

Reporting to the Director, Carnival Cruise Lines, and with 5 direct reports, the Director of Sales will be the face and voice of the brand for trade and responsible for all sales-related activities in the Australasian market, driving sales through trade channels at the highest possible yield and lowest cost per acquisition.

We seek applications from charismatic individuals with a successful travel background who demonstrate:

- recent experience within a field sales management position
- strong people management skills, with a motivational and inspirational leadership style
- strong influencing and negotiation skills, with experience negotiating large volume contracts with travel agent partners
- strong business management and administration skills
- exceptional communication, relationship building, networking and team
- an understanding of digital marketing and the role of social media
- the ability and a willingness to travel frequently and attend functions on evenings or weekends as required

Most importantly you will bring enthusiasm, passion and a sense of humour to our dynamic team!

For further information and to apply online, please visit: careers.carnivalaustralia.com Job Reference: CAR/ 979740



### Norwegian profit up 9%

NORWEGIAN Cruise Line has seen a strong third quarter, overnight reporting an 8.8% increase in operating income for the three months to 30 Sep, to US\$174.1 million.

The improvement was attributed to an increase in net yield, with upticks in both ticket prices as well as onboard and other revenue.

On the other side, net cruise cost per capacity day declined because of reduced ship operating expenses, timing of repair and maintenance costs and "efficiencies from business improvement initiatives".

The result was particularly pleasing given the 13.5% increase in the cost of fuel compared to the previous corresponding period.

"Posting these great results, despite the challenging economic environment in Europe where we had a record deployment, is a testament to the discipline and rigour instilled at Norwegian to continuously improve quarter after quarter," said ceo Kevin Sheehan.

Highlights of the quarter included the announcement of enhancements to Pride of America which operates in Hawai'i, with 24 new suites and four new studio staterooms to be added, lifting capacity to about 2200.



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### ICCA's masters all at sea



**INTERNATIONAL** Cruise Council Australasia general manager Brett Jardine recently escorted ICCA's 2012 Masters Conference, which was held onboard a TransAtlantic voyage for the first time.

Agents and their partners were treated to a week of luxury and informative cruise sessions from onboard Cunard's Queen Mary 2.

Australian and NZ agents were the recipients of high praise from US-based ICCA facilitator Scott Koepf, who was himself on his 14th

Masters Conference, saying the knowledge on cruising by agents down-under was of an extremely high calibre.

Jardine praised the journey as a whole, labelling it a "resounding success" particularly referencing the white-gloved afternoon tea experience, held in the grand ballroom during breaks between training sessions.

The 2012 ICCA Masters conference participants are **pictured** above in the *Queen* Mary 2's grand lobby.





**CRUISE** lines operating in the Caribbean are counting the cost of Hurricane Sandy - and it's more than how the massive storm affected their ships and itineraries.

The tempest has also caused significant damage to shoreside facilities, including the private island destinations operated by many of the cruise companies.

One of the affected resorts is Princess Cruises' Princess Cays which has experienced "extensive beach erosion, some downed trees and roof damage.

"The end of the observation pier was also lost," said a spokesperson for the operator.

Also hit was Norwegian Cruise Line's Great Stirrup Cay, which was set to be visited this week by Norwegian Jewel, Norwegian Sky and Norwegian Pearl.

All the visits have been cancelled while the damage is assessed, with the hurricane unfortunately coming not long after the recent completion of a \$30 million upgrade.

Minor damage was also reported at Royal Caribbean's CocoCay in the Bahamas as well as Holland America's Half Moon Cay and the popular Castaway Cay destination operated by Disney Cruise Line.

**HOW** about this for a shore excursion?

A 27 year old UK man is close to completing his quest to lick every cathedral in Britain.

A friend apparently dared Lawrence Edmonds to complete the daunting task within two years - and if he fails he will have to run naked around York Mister.

Edmonds commenced his unusual activities earlier this year by licking Norwich Cathedral and now says his tongue has tasted 60 of the 64 cathedrals across the country.

He described the experience of licking the ancient buildings as a "little gritty".

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