

Projects

Economic contribution of the Legend of The Seas

Estimation of the economic contribution of a large
cruise ship



LOCATION

Brisbane, QLD

CLIENT

Port of Brisbane
Tourism and Events Queensland

ECONOMIC CONTRIBUTION

Background

Cruise shipping is growing rapidly in Queensland. In the 2014/15 the sector grew by around 13%. In 2013, the Cruise Lines International Association Australasia (CLIA) estimated that the value of the cruise sector to the Queensland economy was \$501 million in gross expenditure by passengers, crew and the cruise liners, \$250 million in Gross State Product (GSP) and 2,072 full time equivalent (FTE) jobs.

The addition of the Legend of the Seas to the cruise ship calendar is expected to increase the economic contribution of the cruise sector to Queensland. Home porting cruise ships has the potential to lead to a substantial increase in economic activity for the area. In some cases, people travel from interstate or internationally to attend the cruise, which typically leads to holiday stays at either the start or end of the cruise. Similarly, the cruise lines often purchase food and other provisions locally, which provides a material boost to the local economy. An extended stay such as the Legends of the Seas was expected to bring a lasting impact to the local and broader economies.

Our role

NineSquared, with our associates Cadence Economics, were engaged by the Port of Brisbane Pty Ltd and Tourism and Events Queensland to estimate the economic contribution of the Legend of the Seas during its upcoming deployment in Brisbane for the 2015/16 summer cruise season.

The Legend of the Seas is a cruise ship operated by Royal Caribbean. The ship is around 265 metres long and can accommodate 2,000 passengers and 720 crew. During the 2015/16 deployment, the Legend of the Seas will make 17 base port calls to Brisbane and five transit visits each to Cairns and Airlie Beach.

We prepared a report on the expected economic contribution of the Legend of the Seas which estimated passenger spending, cruise line spending and crew expenditure and the direct and indirect contribution to gross state product (GSP) and jobs in Queensland. This involved the use of a Computable General Equilibrium (CGE) model.

Key to this assessment was understanding the level of spend from tourists and the Legend of the Seas itself. This required a breakdown of passengers into types to more accurately understand the volume of spend. Further, understanding where the spend occurs and on what products / experiences was important to determine how much of that spend was retained in the region. This required the use of survey data, literature reviews and data from the Port of Brisbane itself.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people