

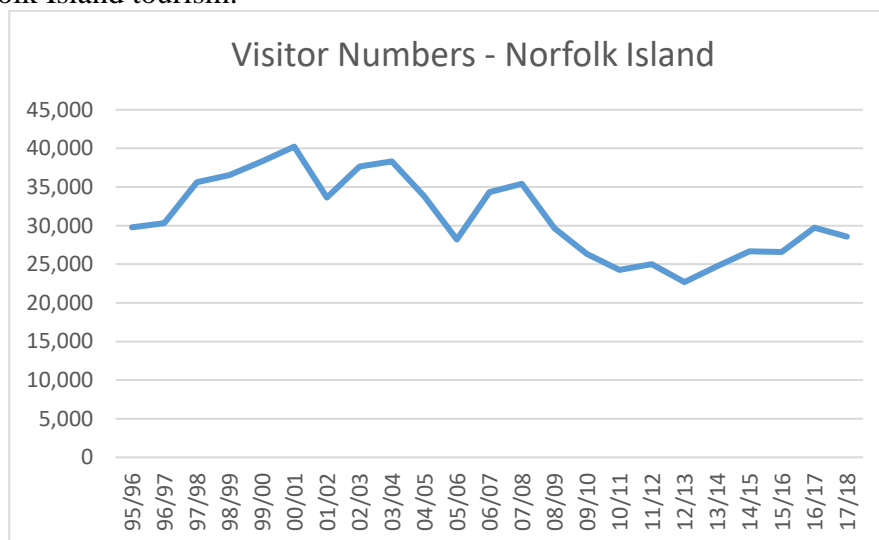
Key Issues Brief

2.13 Norfolk Island Tourism

Key Issues

Tourism Numbers

- Tourism is the primary driver of the Norfolk Island economy and represents around 58% of economic activity. The economy is heavily dependent on visitor numbers, the length of stay and on-island spend.
- While there has been improvement in recent years, visitor numbers have declined from their peak of around 38,000 several decades ago to less than 27,000 in 2015-16, prior to the Australian Government assuming responsibility for delivering programs and services.
- There were around 29,000 visitors to Norfolk Island in 2017-18 which is around 2.5% below the 10-year high achieved in 2016-17 (see chart below).
- This year-on-year reduction is mostly due to the withdrawal of a direct service between Auckland and Norfolk Island. Air New Zealand ceased operating the service in April 2017, and a replacement service commenced by another airline terminated in January 2018. Prior to the cessation of these services around 5,000 passengers (15% of Norfolk Island’s tourists) arrived from New Zealand.
- The airlines’ decisions to cease these services were based on commercial considerations. Air New Zealand stated that the decision to cease their Norfolk Island - Auckland service followed several years of low patronage, prior to the Australian Government’s involvement in Norfolk Island tourism.



Tourism Funding

- The Australian Government has committed funding of \$0.77 million to NIRC over the next two years to invest in marketing and promotion.

Cruise Ship Industry and Cultural Tourism

## DEPARTMENT OF INFRASTRUCTURE, REGIONAL DEVELOPMENT AND CITIES

- The cruise ship industry and cultural tourism are two of the fastest-growing tourism sectors worldwide, and Norfolk Island is ideally positioned to capitalise on both.
- Australian cruise ship passenger numbers have more than doubled since 2002. The South Pacific is the most popular cruising destination for Australians and short cruises ranging between one and four days are one of the fastest growing markets – placing Norfolk Island as an ideal destination.
- The recent extension and refurbishment of the Cascade Pier and the construction of new passenger transfer vessels for delivery by mid-2019, will provide opportunities to significantly increase cruise ship visitation to Norfolk Island. Carnival Cruiselines has previously advised the Australian Government that Norfolk Island could receive up to 35 visits from large cruise ships per year within a decade.
- Norfolk Island also has the potential to capitalise on the emerging cultural and educational tourism market. In addition to hosting supervised tours undertaking archaeological excavations of Kingston and Arthur’s Vale Historic Area, Norfolk Island’s unique biodiversity offers significant educational and nature-based tourism opportunities.

**Background:** Nil

**Sensitivities:** Nil

**Attachments:** Nil

