

CHAIR'S REPORT

AGM 13 AUGUST 2025



Chair's Report – NZCA AGM 2025

Tēnā koutou katoa,

It is my privilege to present this year's Chair's Report, reflecting on the 2024/25 cruise season and the work we are doing to secure a future for cruise in New Zealand.

Our industry stands at a critical juncture. While the last 12 months have brought some signs of operational stability, the outlook ahead is deeply concerning, and it demands collective focus, leadership, and urgent action.

2024/25 Season

The 2024/25 season has, on the surface, appeared relatively stable. We experienced fewer port calls and a 20% decline in passenger numbers compared to the record-breaking 2023/24 season, but we also had fewer weather disruptions and fewer biofouling-related diversions, largely because fewer ships visited our shores.

Cruise guests continue to rate their New Zealand experience among the best in the world, consistently scoring above 8.5 out of 10. This reflects the quality of our product: the landscapes, the warm welcomes in our regions, the manakitanga, and the professionalism of our operators. It's something we can all be proud of. But behind those satisfaction scores, the story is much more serious.

2025/26 forecast

The forecast for the 2025/26 season is stark. At this stage, projected ship calls are more than 40% down on 2023/24, taking us below the levels seen in 2017/18.

This is not a gentle contraction. It's not a softening of demand. It is a steep and deeply worrying decline that if not reversed quickly threatens to erode the infrastructure, investment, and human capability that underpins cruise in New Zealand.

Ports, ground handlers, tour operators, retailers, transport providers, and many regional businesses rely on critical mass to maintain viable cruise operations. If volumes stay at current forecast levels or fall further, some will exit the sector altogether, and once that capacity is lost, rebuilding it will not be quick or easy.

We cannot afford to lose the critical ecosystem that supports cruise across our regions. Together with government, ports and key stakeholders, we are focused on making New Zealand an easier, more attractive and commercially viable destination to include in cruise itineraries.

This is not a demand problem

Let's be clear: cruise guests still want to come here. The issue is not demand.

The issue lies in deployment decisions being made by cruise lines. And when those decisions are made (often two or three years in advance) New Zealand is becoming harder to justify. We are no longer seen as a commercially viable, easy-to-operate, or risk-free destination. And that perception is costing us.

NZCA has consistently identified four interconnected barriers which require a coordinated, long-term response. NZCA has been relentless in keeping these matters on the agenda and pushing for practical solutions that support both the environment and the economy.

1. Biofouling risk – Despite compliance, regulations make it impossible for lines to confidently predict a ship will be allowed to enter New Zealand. The brand risk and operational cost is unacceptable to many lines.
2. Uncertainty – New regulations and costs being introduced inside the booking window (18–24 months) create unmanageable planning and budgeting risks.
3. Costs – New Zealand is now among the most expensive places in the world for a cruise ship to visit.
4. Perception – At the executive level, New Zealand is seen as difficult to work with, unwelcoming, and unpredictable.

The risk ahead...

If we do not act decisively now and see cruise numbers begin to return in the 2027/28 and 2028/29 seasons, the risk is not just a few quiet years. The risk is that we lose the commercial foundation required to support cruise altogether in many regional centres.

Operators cannot sustain losses indefinitely. The highly seasonal nature of cruise in New Zealand means margins are tight. If this downturn persists, we will see the erosion of product quality, skills, investment, and infrastructure which could take a decade or more to rebuild.

We are at a tipping point. The time for action is now. *This is not a drill.*

NZCA's response to the key challenges

In response to the mounting challenges facing the sector, NZCA has stepped up significantly over the past 12 months and we are seeing results. Our work has focused on the key issues of regulatory risk, uncertainty, costs, and reputation. Through targeted advocacy, offshore engagement, and strong collaboration with government and industry partners, we've made real progress on multiple fronts:

- Biofouling: This has been a priority issue, and we are starting to see meaningful traction. Minister Upston has played a central role in driving a whole-of-government response. The successful in-water cleaning trials at Ports of Auckland are hugely promising, and we thank MPI for their willingness to enable innovation. This is a potential game-changer which could significantly reduce the risk of denial of entry and improve certainty for cruise lines planning New Zealand itineraries.
- Regulatory uncertainty: One of the biggest concerns cruise lines face is the introduction of new costs and regulations within the cruise booking window (typically 18–24 months). In response, government has committed to developing a transparent, cross-agency schedule for regulatory changes. Just as importantly, the decision to confirm that cruise ships will continue to operate in Milford Sound removes a major area of long-standing uncertainty and restores confidence in one of our most iconic destinations.

- **Cost stability:** Again, government has committed to open and transparent conversations around cost increases within the booking window, and many ports have now published their port charges for the next three to five years. This kind of long-term thinking is critical for itinerary planning and sends a clear message that New Zealand values cruise and wants to remain competitive.
- **Perception:** Changing executive-level perception has been a focus. NZCA led the largest-ever New Zealand delegation to Seatrade Cruise Global in Miami this year, supported by Tourism New Zealand, Air New Zealand, and nearly every major cruise port. Our presence sent a strong signal that New Zealand is open for business, serious about resolving challenges, and committed to the cruise sector. This message was reinforced at Seatrade Med and through direct engagement with key decision-makers.
- **Whole-of-government coordination:** After sustained advocacy from NZCA, a dedicated cross-agency working group on cruise is now underway. This is an important step toward the cohesive, joined-up policy approach the sector has long needed. Following our 22 July cross-agency meeting with five ministers in attendance, Minister Upston said “Cruise is a crucial part of our tourism eco-system. It supports local businesses, jobs and the wider New Zealand economy. With tourism’s goal to double export value by 2034, cruise will play a key role.” Our regular dialogue with the Minister of Tourism and Hospitality, MBIE, MPI, and other key agencies is helping to ensure cruise remains a priority across government.
- **Tourism Growth Roadmap:** One of the most promising developments this year has been the inclusion of cruise as one of seven priority workstreams in the Government’s Tourism Growth Roadmap. This strategic recognition confirms that cruise has a vital role to play in New Zealand’s tourism future, and that settings must be fit for purpose and enable global connectivity.
- **Cruise Aotearoa New Zealand 2040:** Our national cruise strategy, developed in partnership with government and industry, continues to provide a long-term, coordinated vision for sustainable cruise growth. A planned review is now underway to ensure the strategy remains relevant, actionable, and aligned with the changing global cruise landscape.
- **Economic data:** The CLIA/NZCA Economic Impact Report, backed by MBIE’s own *New Zealand Cruise Impact* research provided powerful, credible data showing the real value of cruise to New Zealand. MBIE’s research further reinforced that New Zealanders, particularly in regional communities, are supportive of cruise, and that environmentally, cruise is a sector we can and should encourage. Most importantly, MBIE’s report concluded that the benefits of cruise to New Zealand clearly outweigh the costs. These insights make it clear that cruise is not a peripheral player - it’s a critical lever for achieving national tourism outcomes.

Where to next?

In the next 12 months, NZCA will be focused on four critical workstreams:

1. **Advocacy** – We will continue to push for a stable, transparent regulatory environment that allows cruise to operate efficiently and predictably in New Zealand.

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2. Promotion – We'll represent New Zealand at key global events, including Seatrade in Miami and Hamburg, and through direct cruise line engagement.
3. Partnership – We'll strengthen collaboration with central government, Tourism New Zealand, regional tourism organisations, ports, airlines, and our members to ensure a unified and strategic approach to cruise recovery and growth.
4. Strategy – We'll undertake a full review of *Cruise Aotearoa New Zealand 2040*, ensuring it remains fit-for-purpose and aligned with current realities.

If we can address key constraints around regulatory settings, cost structures, and seasonal planning timeframes, there is genuine opportunity for growth from the 2027/28 season onward.

And we need your help:

- Keep talking about why cruise matters to you, your business, your region.
- Educate decision-makers in your communities and regions.
- Push for clarity, stability, and smart regulation.
- Support the cross-government approach to cruise policy.

In closing

The case for cruise is stronger than ever. MBIE's Cruise Impact research confirms what we in the industry have long known: that cruise is a high-value, regionally distributed, and economically impactful part of New Zealand's visitor economy. This aligns directly with the Government's ambition to double export value by 2034.

Tourism New Zealand has also shifted its strategy to support the government's goal, and cruise provides an efficient, scalable way to grow international arrivals - particularly into regions outside the main tourism centres.

To NZCA's members, partners, and Board - thank you. Your commitment, passion, and perseverance have made a tangible difference. This is a challenging time, but it is not the end of New Zealand's cruise story.

We are a world-class cruise destination. The demand is there. The value has been proven. But unless we address the current constraints, and unless we do so quickly, we risk losing the critical capability needed to recover.

NZCA will continue to be your strong, united voice - here and offshore. Together, we must ensure cruise not only survives but thrives again in the years ahead.

Ngā mihi nui

Tansy Tompkins

Chair, New Zealand Cruise Association