

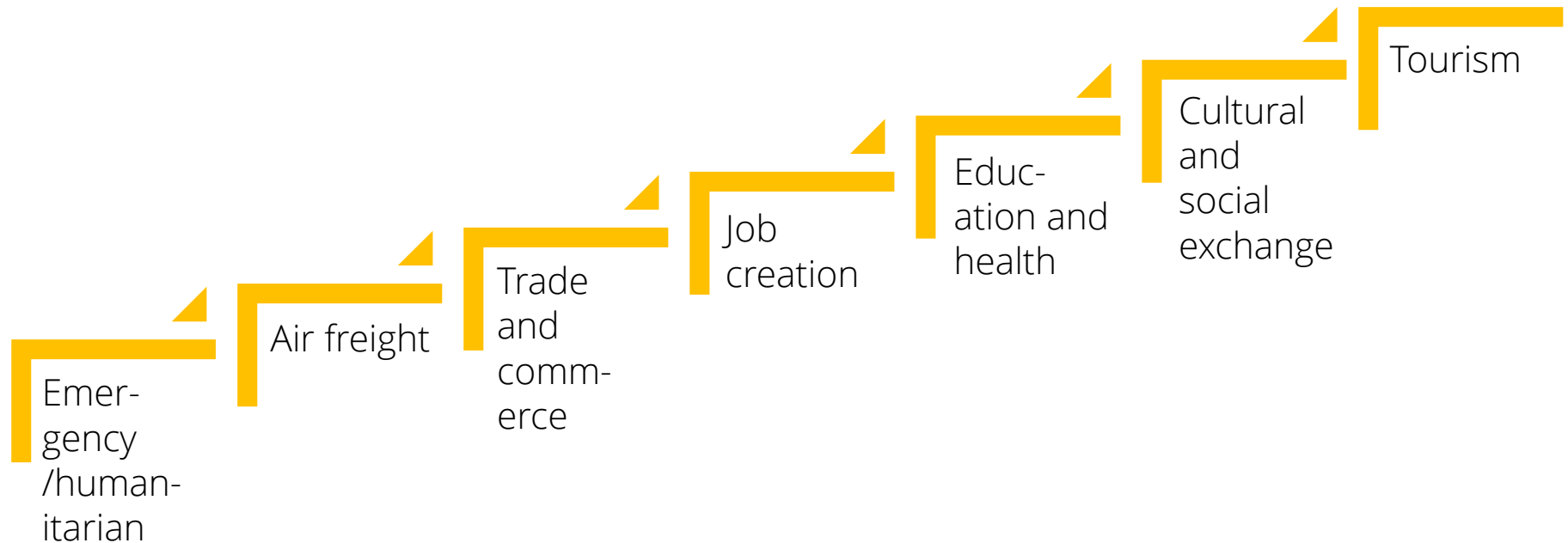


Vanuatu Aviation Access Strategy

Stage 2: Progress Summary to Stakeholders
26 October 2020

Aviation access enables social & economic participation

Aviation improves quality of life for ni-Vanuatu



Aviation enables connectivity, providing access for international visitors

AT3 Relaunching aviation: HOW AND WHEN?

WHEN? ADDING ROUTES TO COUNTRIES UNDER DIRECTION/HEALTH THE PRIORITY

Repatriation

- AU
- NZ
- Pacific Is.

Essential

- Same countries

Covid-safe commercial

- Country by country
- Bilateral agreements

DRAFT Aviation Access Strategy: PROCESS

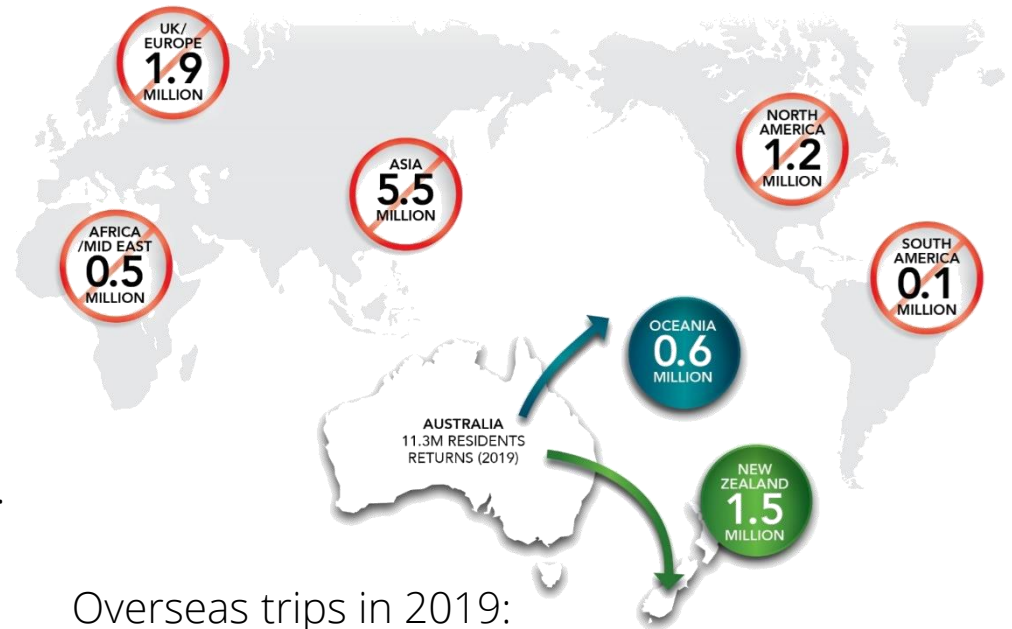
PROCESS TO RELAUNCH AVIATION AND RE-ENGAGE WITH THE GLOBAL COMMUNITY



DRAFT Aviation Access Strategy: WHY?

WHY? THE RATIONALE

- movement of people, goods, services
- work, education, economic development
- ni-Vanuatu stranded overseas
- Tourism industry decimated
- Tourism provides employment, foreign exchange income and generates VAT revenue.

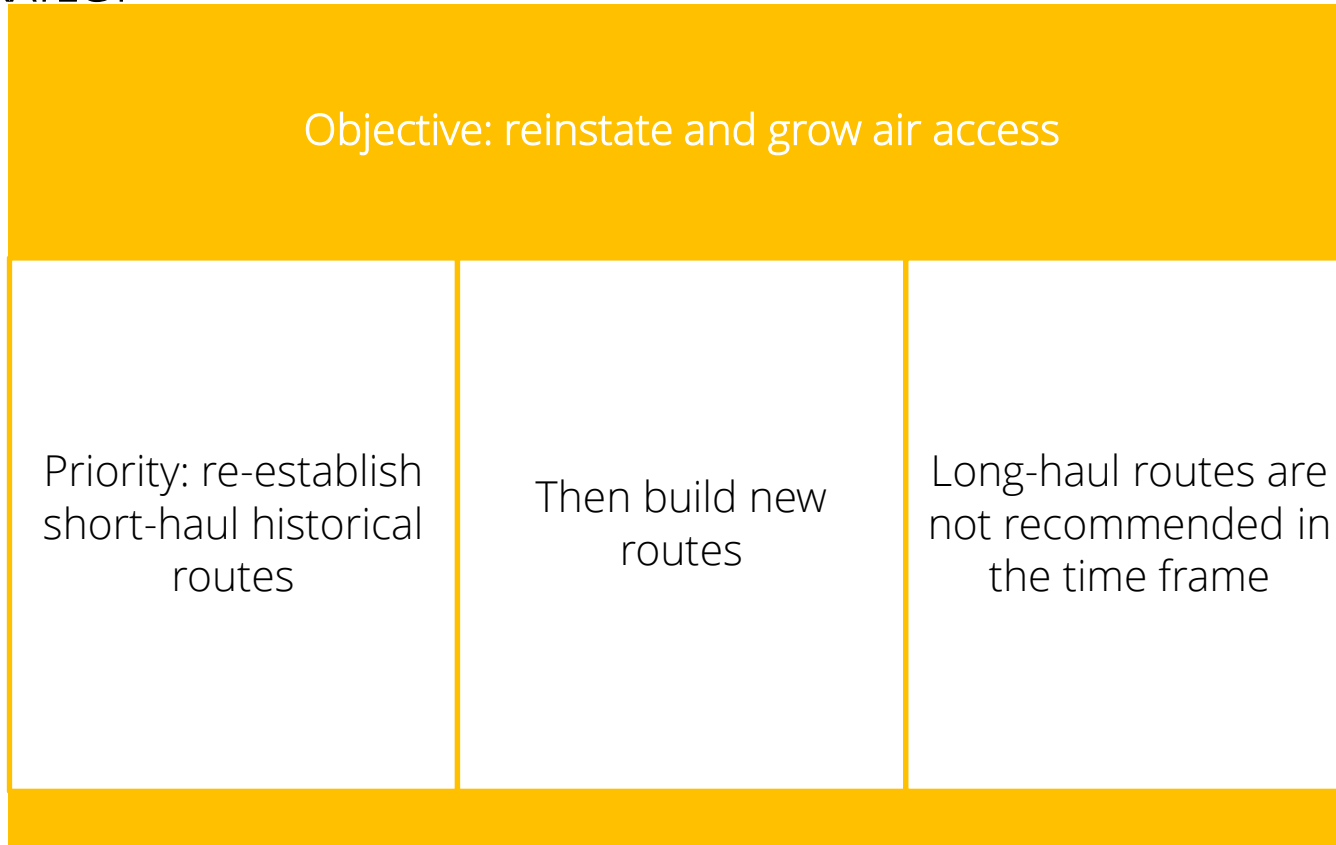


Overseas trips in 2019:

- Australia: 11.3 million trips
- NZ: 3.1 million trips

DRAFT Aviation Access Strategy: WHAT?

WHAT? THE STRATEGY



DRAFT Aviation Access Strategy: HOW?

HOW? THE ACTIONS



Summary of findings: funding is critical to growth

Air passenger demand

Ni-Vanuatu require access to critical air services
Int'l visitor destination appeal

Conclusion: no barriers exist from demand

Supply: accommodation

Hotel occupancy 60% year round prior to Covid
non-resort sector growing

Conclusion: no barriers exist from accommodation supply

Supply: aviation access

Air Vanuatu dominates the market but finite fleet to serve demand.
Int'l carriers in decline without funding support.

Conclusion: three scenarios for future growth:
Protection of Air Vanuatu
Open funding to all carriers
No funding support


Proposed target market city pair destinations

Route	Pre-covid/wk	Phase 1 freq *	Phase 2 freq *
AKL	6 freq / 760 seats	4	6
BNE	8 freq / 1,180 seats	4	6
SYD	7 freq / 1,200 seats	0	4
MEL	3 freq / 520 seats	0	3
NOU	6 freq / 600 seats	6	6
HIR	2 freq / 280 seats	0	2
NAN	6 freq / 480 seats	6	6
SUV	2 freq / 130 seats	0	2


Next steps:

1. secure Vanuatu Aviation Attraction Fund
2. Then, business cases and negotiation with carriers for routes, including Air Vanuatu

Vanuatu Aviation Attraction Fund proposal

Home

Turbocharging Tourism
The Strategies



\$10.85 MILLION
TOWARDS COOPERATIVE MARKETING WITH KEY DOMESTIC
AND INTERNATIONAL AIRLINES

VISION

- A single fund for destination marketing in source markets
- Contestable funds available to all carriers serving viable routes
- Transparent process, independent framework
- Available to support all routes, not just new routes
- Practice is common place

Turbo1 / Increase visitation through smart ma... / \$10.85m towards cooperative marke...

\$10.85m towards cooperative marketing with key domestic and international airlines

- > \$10.85m towards cooperative marketing with key domestic and international airlines
- > Project Updates
- > \$3.8m towards cooperative marketing packages
- > \$1.6m to boost our domestic and global appeal through marketing
- > \$2.35m to promote our unique attributes including adventure experiences
- > \$1.9m to make Darwin and NT the pilgrimage destination for Australian military history
- > \$1.63m to develop and promote our arts and cultural attractions and experiences
- > \$2.9m to attract more national and

Project Update

Investments into cooperative smart marketing with national and international airline partners have attracted three new aviation routes to the NT. The new routes are targeted to secure an additional 16,000 inbound seats from June 2018 to June 2019.

Jetstar commenced its inaugural flight from Brisbane to Uluru in August 2018. Virgin Australia commenced direct flights into Brisbane from Alice Springs in June 2018 and Donghai Airlines launched a non-stop service from Shenzhen, China in May 2018 with the number of Chinese travellers to the NT per month tripling compared to previous monthly figures.

'Smart Funding' assistance has been made available to local operators to enable them to adapt their experience and collateral for Chinese visitors. Operators can apply for one-off support funding of up to \$2,000 to complete a range of improvements to contribute to their China Readiness.

Suggestions include:

- translating restaurant or room service menus
- producing videos with Chinese subtitles or Mandarin voiceovers for touring
- translating signage and safety cards
- purchasing hotel room amenities e.g. slippers
- producing welcome letters, hotel fact sheets or local maps in Chinese
- producing in-room TV Chinese language information videos or subscribing to Chinese newspapers for hotel guests.

To stimulate competitive flight prices to the NT, airfares between Alice Springs and interstate capital cities purchased through Webjet during October 2018, were discounted by Webjet and Tourism NT.

To promote the new Virgin Australia route from Brisbane to Alice Springs, travel agents from the Flight Centre, Infinity Holidays and Australian luxury boutique travel companies, Journey Earth, Savenio and Main Beach Travel were invited to tour the Red Centre to gain first-hand experience of the region, to assist them in selling packages to Australia's heartland when they return home.

Next steps

