

BUILDING DEMAND FOR SUSTAINABLE AVIATION SERVICES: Strategic Intent Document

DEPARTMENT OF
TOURISM, SPORT AND CULTURE

Aviation services directly support the Northern Territory's economic development and its role as a leading tourism destination. The Northern Territory's vast area and great distances mean air services form an integral part in underpinning the Territory's social wellbeing and connectivity. This is an essential factor that underpins the development of regional areas and also provides support to remote communities. The Northern Territory Government's vision to grow and develop the aviation sector is outlined in the *Economic Development Framework and Aviation Industry and Services Strategy - 2019 Review and Update*.

By working together, government, industry, and individual businesses in the visitor economy will deliver on the following key strategic objectives and support the sustainable growth of international and domestic air services in the Territory.

- Promote Darwin as northern Australia's primary aviation gateway to Asia and the rest of the world.
- Work with the aviation industry to support the sustainability of, and increase the frequency of, the Territory's existing domestic and international air services.
- Work collaboratively to pursue new air services in key international markets, including China, the Middle East and South East Asia countries.
- Explore the potential for economic investment attraction packages linked to new aviation services.
- Encourage competition on domestic routes to increase consumer choice and airfare affordability.

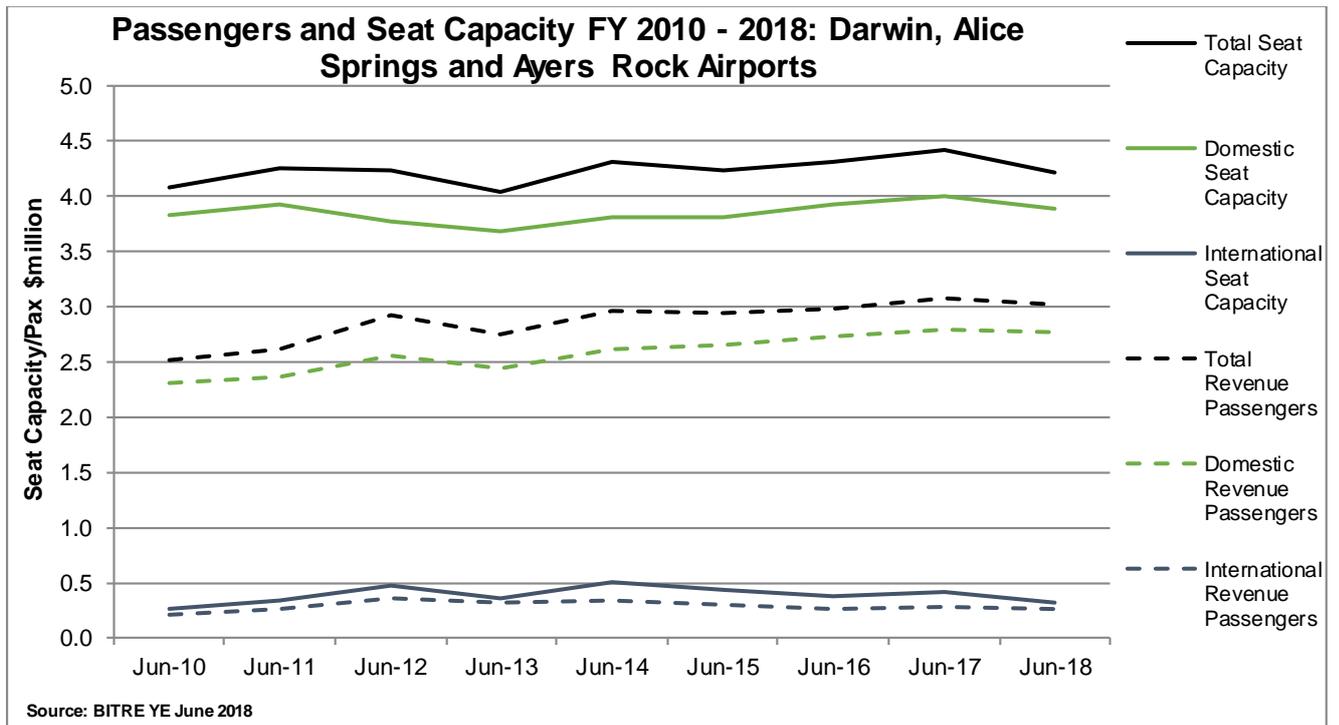
The following priority actions are being progressed over 2019:

- Maintaining existing domestic aviation routes following the reduction in high-yielding corporate travel demand as the Ictchys project moved from construction to operational phase, through a focus on marketing activity to stimulate leisure demand.
- In partnership with NT Airports and the wider visitor economy participants, business case development and support packages will be tailored to support existing carriers and encourage new services to the Territory.
- Maintaining and growing Donghai Airlines' direct non-stop service between Shenzhen and Darwin is a priority. Having direct access to Shenzhen's 12.5m population is of strategic importance to Darwin, as it has the potential to generate a substantial level of economic benefit.
- In July 19, SilkAir will be stepping up its Darwin-Singapore service by one additional weekly frequency. This will be the first time in SilkAir's seven years of operating to Darwin where it will have seven flights a week; creating better options and choice for NT residents. In the reverse, the service will open access to a global network of inbound visitors to Darwin originating from Europe, Asia, the Indian-Subcontinent and USA, which will have a direct positive spend impact on the city and its commerce.
- Virgin Australia will commence seasonal services from Darwin to Denpasar (Bali) in April 19, which will operate through to October 19. The increased competition will mean better fares for NT residents traveling to Bali.
- Building demand for services to Alice Springs, in order to encourage competition into the market and drive down prices for residents and visitors. Emphasis will be on direct services from the east coast of Australia.

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- Stimulate demand for international services to Darwin through marketing and promotion, leveraging the Territory's key natural attractions, and building on the new direct air link commencing from late March 19 between the Darwin gateway and the most visited destination for international visitors: Uluru.
- Regular aviation route development meetings will be held with international and domestic airlines, including at major aviation trade events such as Routes. Business case development work will continue including responding to change in the aviation operating environment such as the introduction of new aircraft with greater fuel efficiency and flying range, or new routes due to changes in airline hub arrangements.



Overall seat capacity into the Territory increased 3.1 per cent from 2009/10 to 2017/18, with total passengers increasing 20.2 per cent over the same period. This sets a strong base from which to measure performance over coming years.