



# NORTH AMERICA INDUSTRY UPDATE

#3 – JUNE 16<sup>TH</sup>, 2020

# AGENDA

- Update from TA Jane Whitehead, VP Americas
- Aviation Recovery Andrew Hogg, EGM East
- Aviation – A Qantas Perspective Stephen Thompson, EVP America's
- Consumer Sentiment Rob Dougan, EGM Strategy
- Q&A

# JANE WHITEHEAD

VP, Americas

# **ANDREW HOGG**

**Executive General Manager, East**





# TEAM AUSTRALIA AVIATION RECOVERY STRATEGY

**ANDREW HOGG**

TOURISM AUSTRALIA



# CONSULTATIVE PROCESS

## Internal consultation:

- Working Group established
- Executive Leadership Team
- Offshore RGMs – Jane Whitehead
- TA Board
- Ministers' Office
- Department of Infrastructure, Transport, Regional Development & Comms
- Austrade/DFAT/Home Affairs

## Airline consultation:

- Qantas Group
- American/United/Delta/Air Canada
- Virgin Australia
- Air New Zealand



## External consultation:

- Sydney Airport/DNSW
- Melbourne Airport/VVIC/InvestVIC
- Brisbane Airport/TEQ
- Perth Airport/TWA
- Adelaide Airport/SATC
- Darwin Airport/TNT
- Canberra Airport/VC
- Gold Coast (QLD Airports)/TEQ/GC Tourism
- Cairns Airport/TEQ/TTNQ
- Hobart Airport/Launceston Airport/TTAS
- Avalon Airport/VVIC
- Newcastle Airport/DNSW
- Sunshine Coast Airport/TEQ
- Whitsundays/Hamilton Is/TEQ
- Voyages Indigenous Tourism Australia (Ayres Rock)
- IATA Regional Air Transport Industry Restart Summit
- Australian Business Chamber Restart Committee
- Airline Intelligence & Research / CAPA / Ailevon Pacific Aviation Consulting
- UNSW School of Aviation - Industry Advisory Committee
- Australian Airports Association (AAA)



# TEAM AUSTRALIA APPROACH TO AN AVIATION RECOVERY PACKAGE

## Team Australia roles:

- **Tourism Australia** – leads coordination among all stakeholders and airlines to package up offers
- **Australian Airports** – aeronautical discounts, incentives, outbound marketing
- **STOs** – route marketing support contributions, lead RTO involvements
- **Austrade** – freight focus (83% of air freight is carried in passenger aircraft)
- **Department of Infrastructure, Transport, Regional Development and Communications**  
– air service agreements and bilateral relationships
- **DFAT** – business links and people-to-people diplomacy
- **Home Affairs** – international visitor visa arrangements and processing



# TRACKING THE CRISIS INTERNATIONALLY

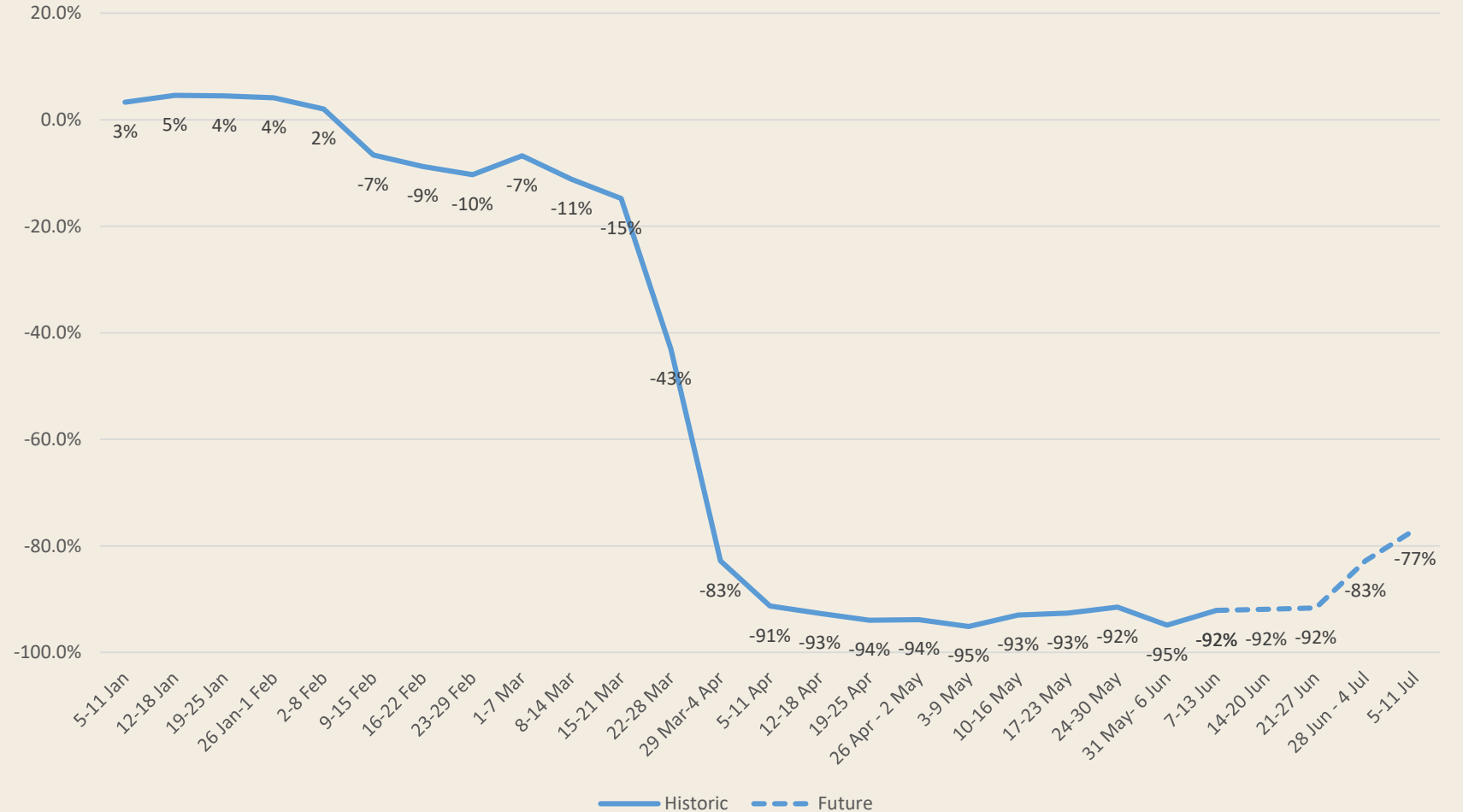


## AIRLINES REACT TO GLOBAL DEMAND



### Total international airline seat capacity into Australia (YoY % change 2020 vs 2019)

(source data: OAG airline schedules)





# DISTILLING THE **INTERNATIONAL AVIATION RECOVERY OPPORTUNITY**



**300+**

INTERNATIONAL AIR ROUTES  
INTO AUSTRALIA



**245**

AIR ROUTES INTO AUSTRALIA  
FROM TA'S PRIORITY SOURCE  
MARKETS



**100+**

AIR ROUTES INTO AUSTRALIA  
OF INBOUND IMPORTANCE



**60**

AIR ROUTES INTO AUSTRALIA  
THAT ARE CRITICAL FOR A  
TOURISM RECOVERY

## ASPIRATIONAL GOALS FOR **TEAM AUSTRALIA**



**50+**

INTERNATIONAL INBOUND  
AIR ROUTES  
RE-ESTABLISHED BY DEC-21



**90%**

AIR FREQUENCIES RECOVERED  
COMPARING DEC-19 TO DEC-21



**2+**

AIRLINES SERVICING EACH  
PRIORITY MARKET  
BY DEC-21



**1<sup>ST</sup>**

AUSTRALIA SERVED FIRST  
BY INTERNATIONAL CARRIERS  
WHERE POSSIBLE

*Indicators and measures to consider: YoY seat capacity, load factors, visitor yield, airport revenue etc*



**THANK YOU**

# STEPHEN THOMPSON

Executive Vice President, Qantas

**ROB DOUGAN**

**Executive General Manager, Strategy**



# THE GREEN LIGHT PROJECT

Goal is to look for shifts in consumer sentiment across markets to focus resources on most those most likely to recover first

16 markets including Australia

Fortnightly tracking – four dips from 23<sup>rd</sup> April to 10<sup>th</sup> of June

Nationally representative sample with ability to pull out OOR travellers

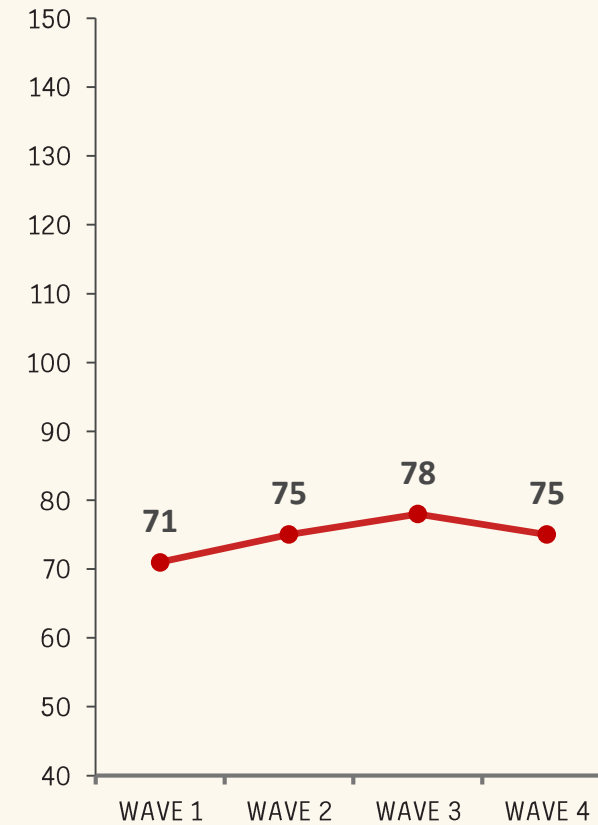
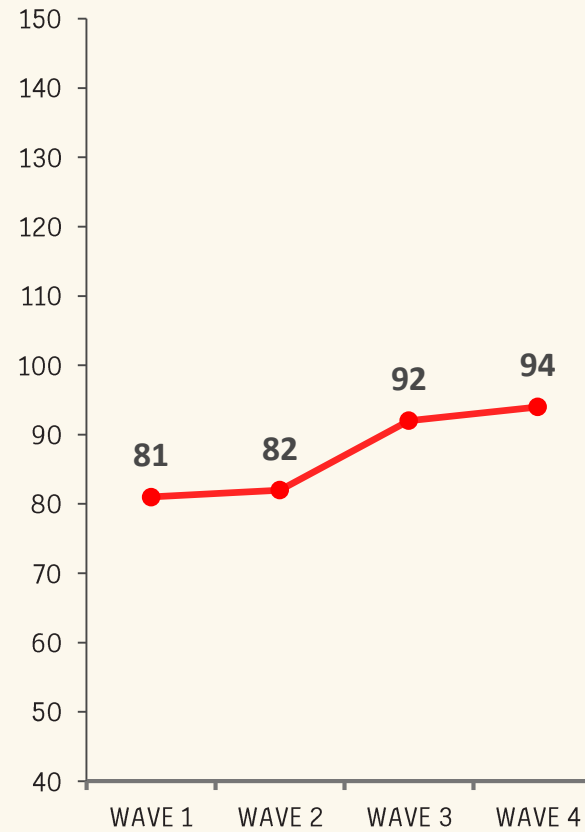
Sample size of 300 per market



**IT'S ALREADY OUT OF DATE**

# CONSUMER CONFIDENCE

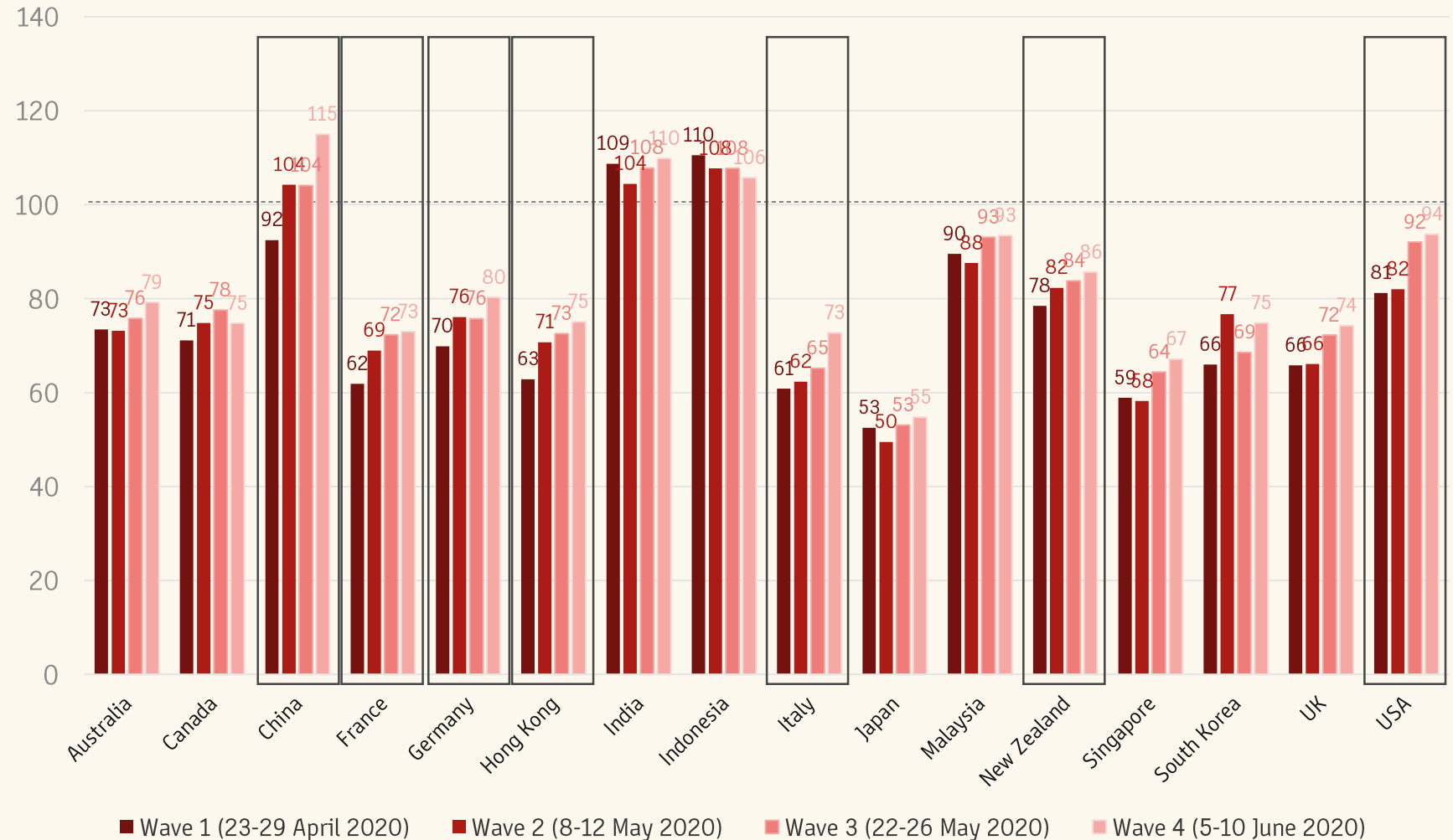
Significant increases in the US but a softening in Canada.



# CONSUMER CONFIDENCE ACROSS ALL MARKETS

Seven markets with increases of 10 or more in consumer confidence.

Canada topping out at 78 (-22) which is consistent with lower rating markets, and the USA 94 (-6) which is relatively high.

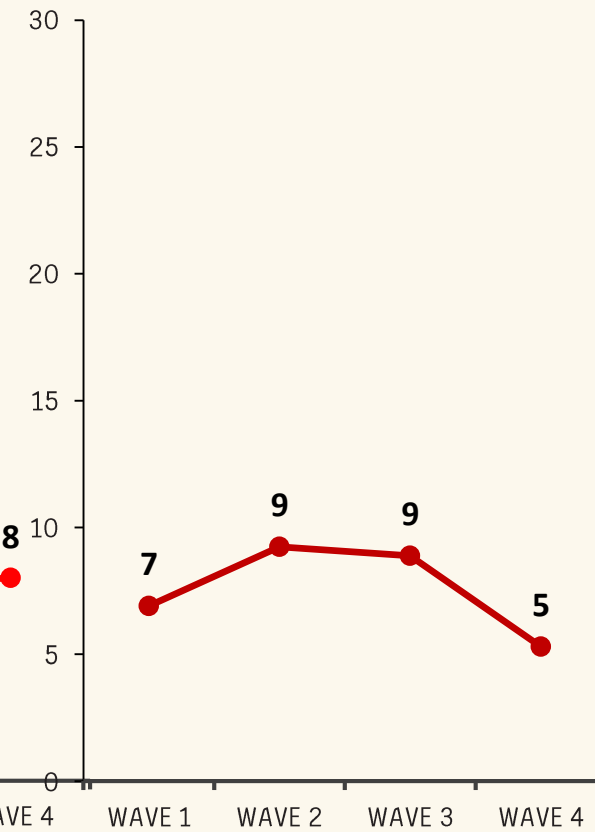
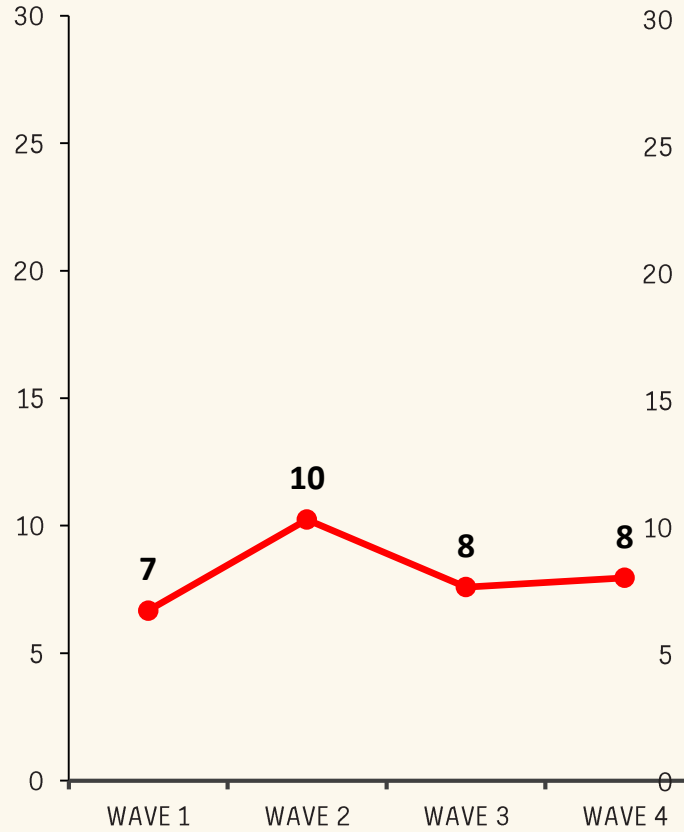




# TRAVEL INTENTION

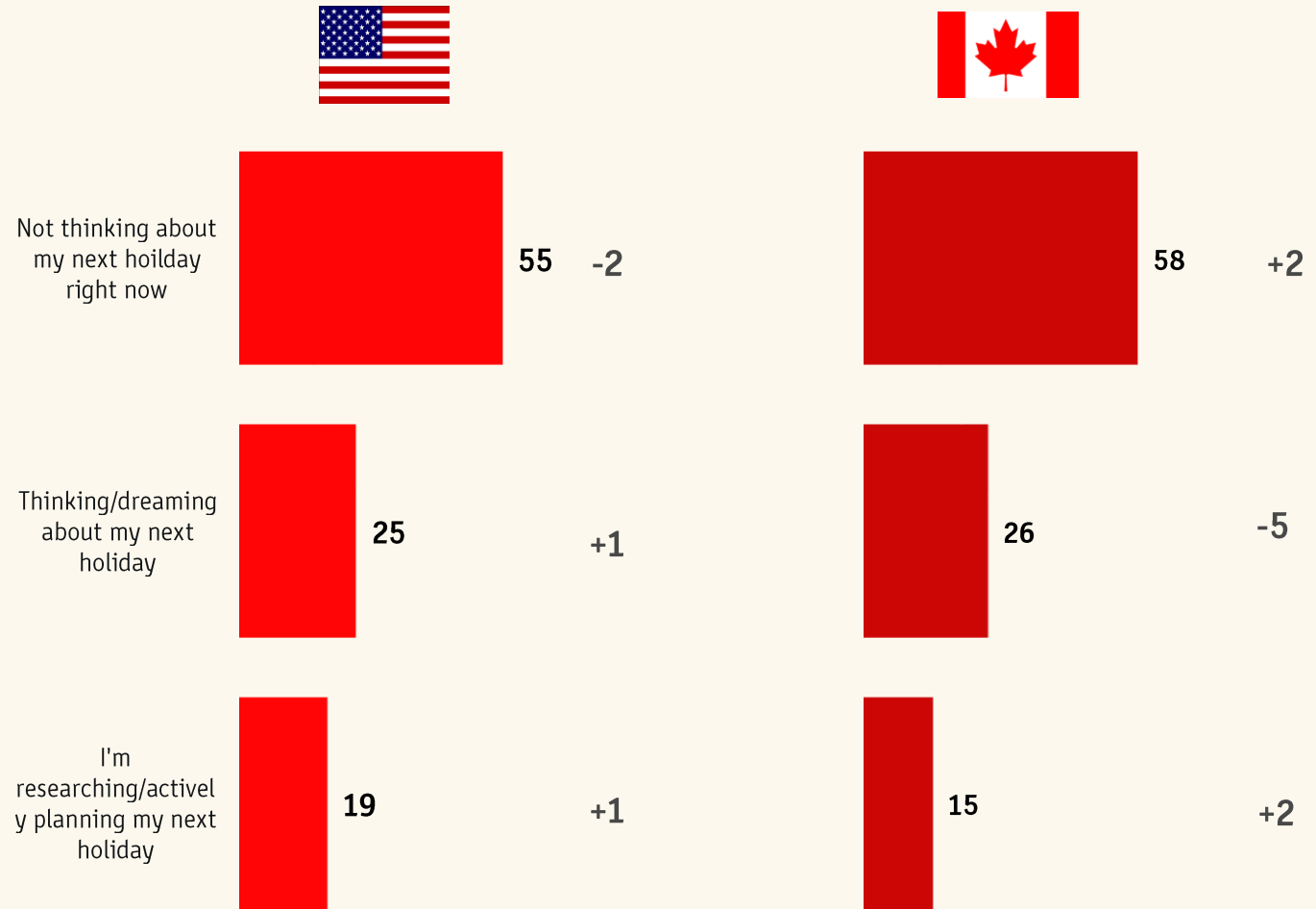
## (3 – 6 MONTHS)

Overall very low travel intent but softening in both markets but even more so in Canada.



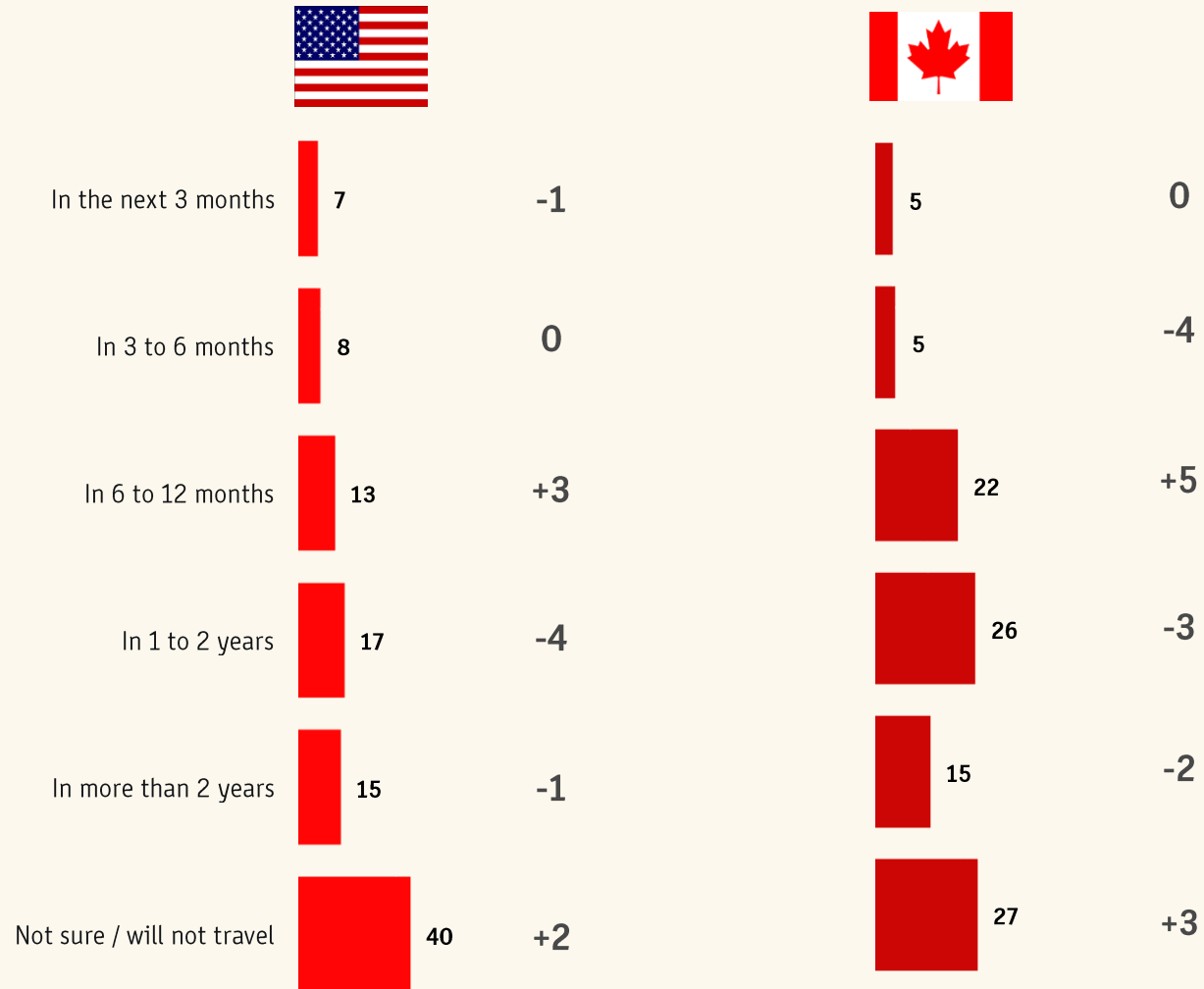
# ATTITUDE TO NEXT HOLIDAY

Canadians slightly less enthusiastic about their next holiday.



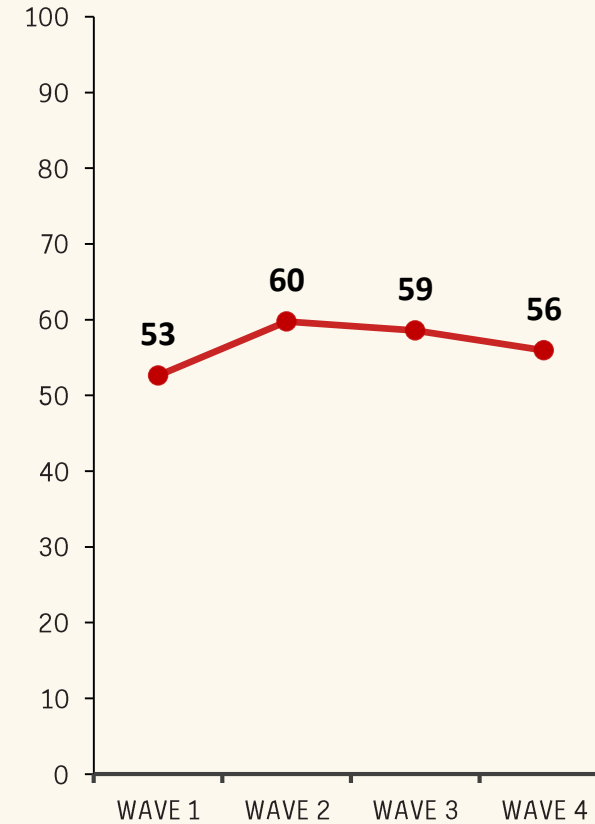
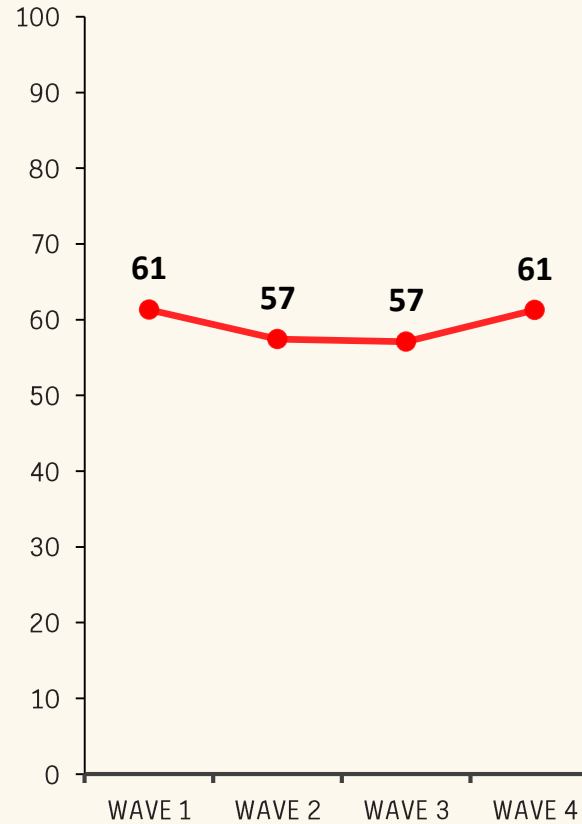
# INTENDED TIMING OF NEXT TRIP

Less confidence in when Americans will take their next trip but Canadians likely deferring until after six months.



# AUSTRALIA IS A DESTINATION THAT SEEMS SAFE TO TRAVEL

Safety perceptions are relatively static but also relatively low given Australia's health record during Coronavirus.

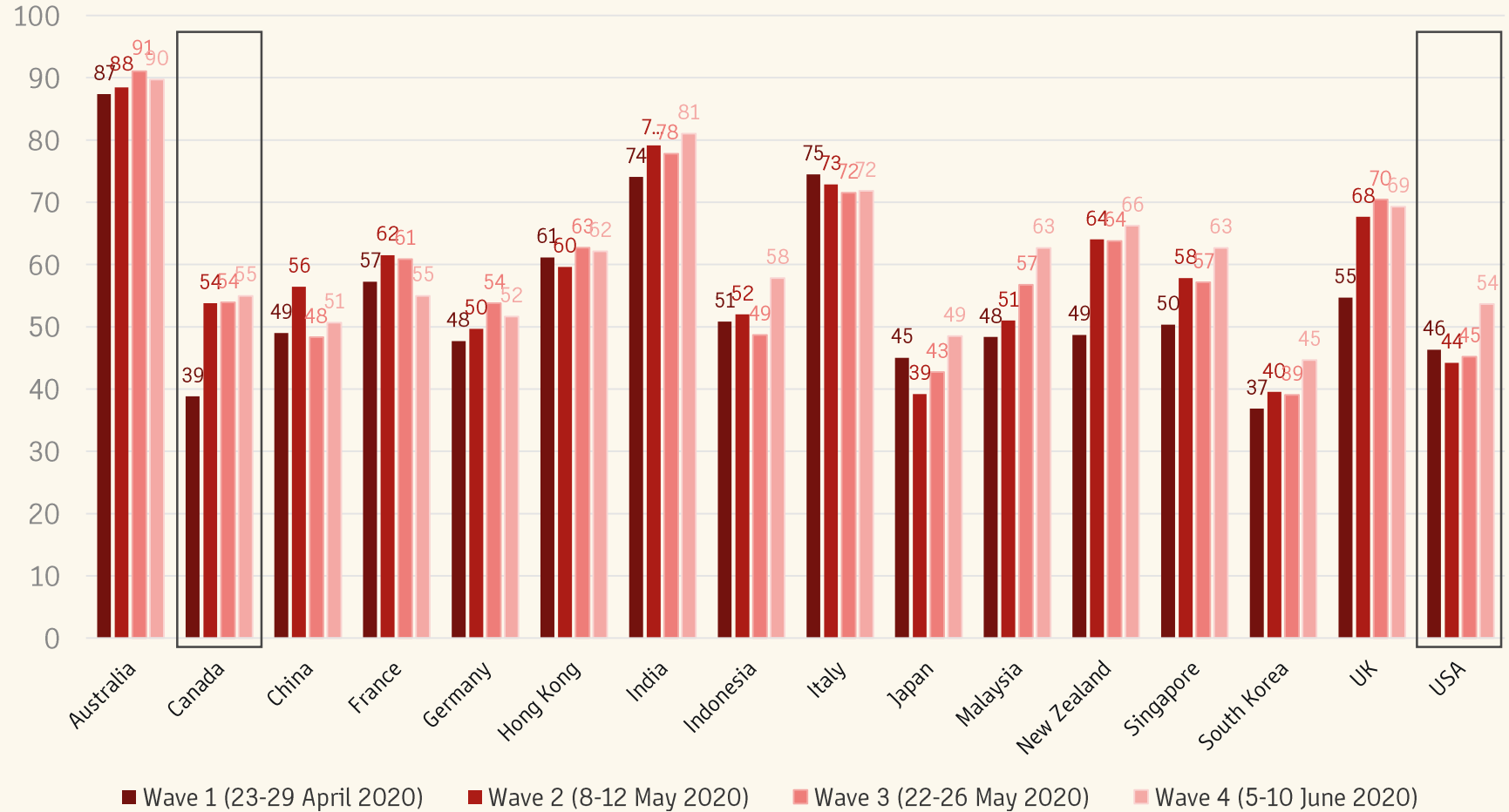




# AUSTRALIA AND COVID-19

Middle of the road understanding of Australia’s relatively good Coronavirus situation but a significant positive spike in American perceptions.

‘I feel that Australia is less impacted by the Coronavirus than most other countries’ (% agree)



# SUMMARY

Canada numbers slumping slightly, potentially off the back of some negative Covid fatality results

US metrics expected to shift considerably in the next wave but looking positive at present

Consumer confidence rising but intent to travel or book is still very low with immediate travel completely out of the question (even if borders were open)

Australia's safety record not very well understood in either market.

The image features several stylized, light green 'Y' shapes scattered on the left side of the page. Each 'Y' is composed of three thick, rounded strokes. The central 'Y' is significantly larger and rendered in a dark blue color, serving as the main title. The other 'Y' shapes are smaller and semi-transparent, creating a sense of depth and movement.

# QUESTIONS?

# NEXT UPDATE

Tuesday, Jun 30<sup>th</sup>  
2pm PST/5PM EST

# THANK YOU

