



FORWARD

10 June 2020

PACIFIC TOURISM: Covid-19 IMPACT & RECOVERY
Scenario development and recovery pathways:
REPORT



**SOUTH PACIFIC
TOURISM
ORGANISATION**



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SCOPE AND PURPOSE

Covid-19 impact on Pacific tourism

Stage 2 in a 3 phase process

Focus countries

Process

Forward Insight & Strategy has been commissioned to develop this report.

The purpose of this report is to provide **high level scenario development** to frame potential response pathways following the initial impact of Covid-19 on Pacific tourism.

The report is designed to be an aid to decision-making by Pacific tourism sector organisations and businesses, to raise issues, to inform thinking, and to highlight future themes around Pacific regional cooperation for tourism's recovery from Covid-19.

This report is phase 2 of 3 phases:

Three High level future scenarios are outlined. The pathway to recovery with key considerations, key risks and opportunity, and development initiative options linked to recovery.

- Cook Islands
- Niue
- Tonga
- Samoa
- Solomon Islands
- Vanuatu
- Fiji

Consultation: Wide consultation with Pacific tourism sector leaders has been undertaken and support and cooperation from SPTO and Pacific NTOs have enabled the consolidation of Pacific wide analysis. Aviation sector expertise has also provided input and insight. New Zealand based tourism sector response has also been reviewed.

Interviews conducted via skype

World wide tourism response review:

Global tourism sector response and analysis has also provided input.



THIS REPORT IS THE OUTPUT OF STAGE 2 and 3 OF THE COVID-19 IMPACT ASSESSMENT AND SUPPORT PROGRAMME POLICY OPTIONS

SCOPE: Information required

Phase 1 situation analysis

To identify the impact of Covid-19 on the tourism sectors of the focus countries: **Cook Islands, Tonga, Niue, Samoa, Solomon Islands and Vanuatu** – based on a pre virus baseline assessment and the immediate and projected evolving situation.

Understand the tourism sector overall and by sub sector category(accommodation, transport, activities and experiences) and then extended to include an overview of secondary downstream impacts and implications for associated sectors (including but not limited to food service, agriculture, retail)

Phase 1A Tourism sector quick scan

- Assess immediate impact of the Covid-19 situation; what is happening now?
- An immediate situation analysis and estimate of impact by country, sector within country
- Identify immediate/ critical key risks, key immediate needs and opportunity to mitigate risk.
- Identify prioritised opportunity and focus to enable future sector recovery

Phase 1B Tourism sector status analysis

- Develop a more thorough understanding of the situation, risks, needs through primary(talking to key people in each market and the region) and secondary data collection(tourism and economic data)
- High level overview of tourism pre- Covid-19 contribution to national economies and the current and estimated impact
- Understand in more depth risk, mitigation and stimulation opportunity. This will then enable the development of informed scenarios to be developed and engage key regional and in country stakeholders

Phase 2 Scenario development

To identify a set of possible tourism economic impact scenarios in selected Pacific destinations as a result of Covid-19-related travel pattern changes.

Immediate: a short-term impact and response phase

Scenario 1: Significant: Mid term impact and significant recovery period.

Scenario 2: Severe: long-term impact

Scenario 3: Major: a severe, major economic downturn and an extended period before recovery

Phase 3 Recovery pathways

Identify immediate needs and alternative support options for the mid and longer term that will facilitate sector, economic and social recovery

- What support options are there to retain tourism sector capability, employment, infrastructure and underpin business and sector readiness to rebuild and enable reactivation
- What support options within and outside the tourism sector might be practical, across whole of government activity, financial institution support, and in downstream subsectors and supply chains

Pacific country focus:

- Cook Islands
- Niue
- Tonga
- Samoa
- Solomon Islands
- Vanuatu
- Fiji



We are here

Covid-19 impact recovery



FORWARD



**Scenarios +
scenario
Response**



Scenario planning is helpful to provide a framework for planning and developing options that enable an agile response to changing situations.

Identifying and managing risk and optimising opportunity

Informing timing and focus of response and initiatives

Prioritisation and focus through time

In a rapidly changing environment, scenario planning will need to be regularly reviewed and updated

<p>Scenario 1</p> <p>BUBBLE</p> <p>Safe border reopening with aligned 'bubble' countries who have a similar safe health status & systems. Free travel not requiring isolation</p>	<p>= EARLY</p> <p>Activation August 20 – February 21 3 – 9 months</p>	<p>SIGNIFICANT impact</p>
<p>Scenario 2</p> <p>PASSPORT</p> <p>Individual travellers have wellness passport through testing, to ensure they are not contagious and do not require isolation – keeping the host nation safe</p>	<p>= MEDIUM</p> <p>Activation February 21 – August 21 9-18 months</p>	<p>SUBSTANTIAL impact</p>
<p>Scenario 3</p> <p>RESOLUTION</p> <p>Populations vaccination delivering safety from infection for host population and visitors – or an alternative that resolves the health crisis and risk</p>	<p>= LATE</p> <p>Activation August 21 – February 22 18 – 24 months plus</p>	<p>SEVERE impact</p>

Relatively early restart and sector largely intact. Potentially strong demand from NZ and AUS travellers.

Later restart with loss of skills and infrastructure(supply). Less certain demand and potentially a wider global competitive environment with limited global airline connectivity.

Long term delay in restart. Substantial loss of skills and infrastructure(supply) Strategic sector refocus required to match supply with revised target travellers. Globally competitive tourism market. Potential slow rebuild.

3 BROAD SCENARIOS HAVE BEEN DEVELOPED

These are linked to the:

- **Estimated time** until sector restart and
- **The health strategy** that may enable borders to open safely.



RESPONSE AND INITIATIVE FOCUS

<p>Scenario 1</p> <p>BUBBLE Aligned suppression eradication</p>	<p>= EARLY</p> <p>Activation August 20 – February 21 3 – 9 months</p>	<p>SIGNIFICANT impact</p>	<p>Sector largely intact.</p> <ol style="list-style-type: none">1. Protect the core:<ul style="list-style-type: none">• Skills retention, business liquidity• Accelerated maintenance, building skills especially digital capability, tighten targeting and proposition differentiation• Comprehensive health policy and systems2. Accelerate marketing demand generation
<p>Scenario 2</p> <p>LATER BUBBLE OR PASSPORT Individual safe certification</p>	<p>= MEDIUM</p> <p>Activation February 21 – August 21 9-18 months</p>	<p>SUBSTANTIAL impact</p>	<p>Sector contraction.</p> <ol style="list-style-type: none">1. Protect core infrastructure:<ul style="list-style-type: none">• Focus on protecting major infrastructure with hibernation support (hotels, airline infrastructure and transport)2. Ensure consumer protection and confidence3. Ensure experience delivery on restart (reopening guidelines with minimum standards to deliver experience, monitoring)4. Tightly targeted visitor segments and markets to match the experiences available and ensure marketing budgets optimised
<p>Scenario 3</p> <p>RESOLUTION Populations vaccination</p>	<p>= LATE</p> <p>Activation August 21 – February 22 18 – 24 months plus</p>	<p>SEVERE impact</p>	<p>Sector strong contraction and higher reactivation costs.</p> <ol style="list-style-type: none">1. Strategic tourism sector refocus2. Clear understanding of future sector opportunity given reduced sector offer3. Match demand to realigned supply – cultural tourism, specialised sustainable experiences

3 BROAD SCENARIOS HAVE BEEN DEVELOPED

These are linked to the:

- **Estimated time** until sector restart and
- **The health strategy** that may enable borders to open safely.





THE LONG TERM OUTCOME DEPENDS ON THE SCENARIO AND RESPONSE

SCENARIO + RESPONSE = OUTCOME

'What plays out'
(Health, freedom to travel,
economic environment)

'What we can influence'
(Confidence, supply, demand, access,)

<p>Scenario 1</p> <p>BUBBLE Aligned suppression eradication</p>	<p>= EARLY</p> <p>Activation August 20 – February 21 3 – 9 months</p>	<p>SIGNIFICANT impact</p>
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RESPONSE

The strength of the rebound depends on how well countries have been able to respond and activate the following:

CONFIDENCE: Safety and health of local communities and visitors to travel

SUPPLY: of the right product and experiences

DEMAND: Building confidence, desire to travel, enabling and activating bookings – with the right targets and ‘story’

ACCESS: Through air connectivity and availability of seats

STRONG REBOUND

MODERATE REBOUND

WEAK REBOUND



With any scenario, in an uncertain situation things can change. An open border may then close, or become more restricted. This may then push an early scenario to medium or late.

To be able to respond quickly and effectively it is critical that there is very good information, that options have been developed and decisions can be made as things become clearer, and that there is open and clear communication to maintain confidence and enable the sector to respond.

DEAL IN FACTS
LOOK FOR OPTIONS
COMMUNICATE



2

Pathway to reactivation

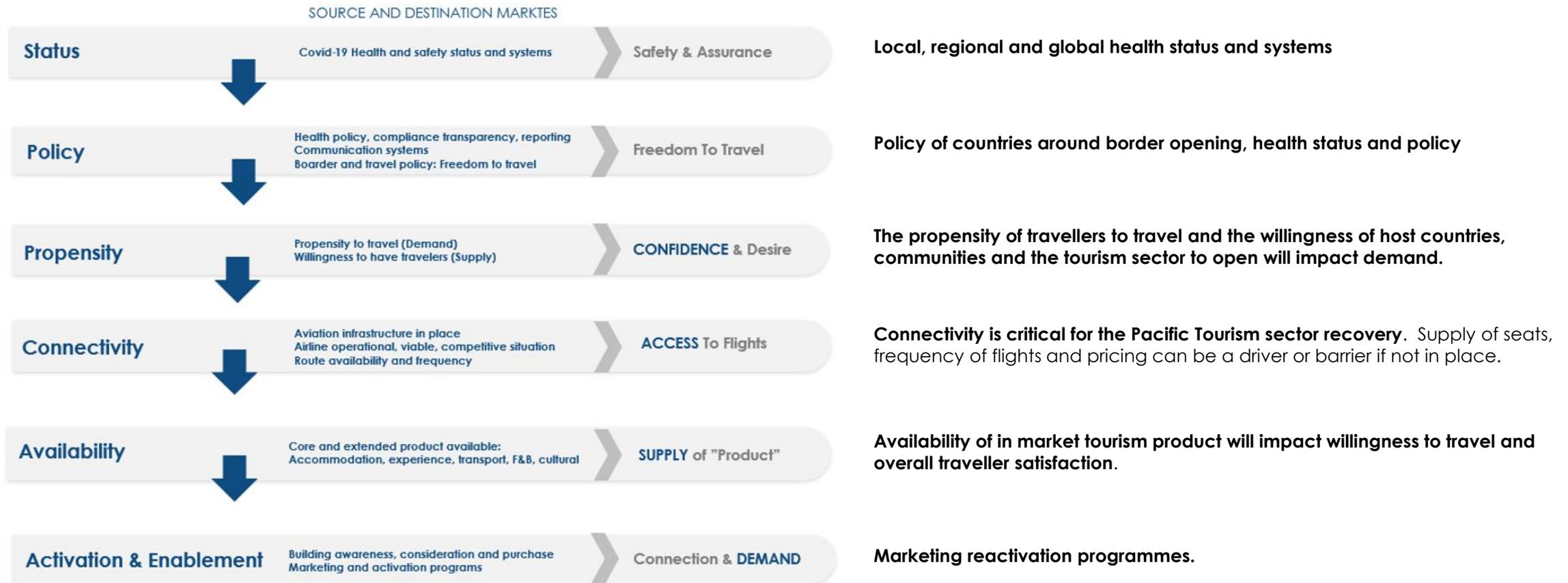


RECOVERY PATHWAY

There are a number of factors that need to be in place to enable tourism sector reactivation and recovery

At each point, information to clarify activation timing, and the development of focused options can improve response effectiveness.

Not addressing each stage can act as a barrier to the speed and effectiveness of reactivation.





PACIFIC TOURISM REACTIVATION: RECOVERY FACTORS

1 Status



POTENTIAL ISSUES

Local, regional and global health status will be the primary factor impacting confidence for pacific countries and communities and international countries to re-open borders.

Risk to population health

Lack of clear and trusted health systems response effectiveness and communication.

- Build trusted information and health response systems that enable confidence in safety

2 Policy



POTENTIAL ISSUES

Policy around border opening, health status and systems, and potential alignment to enable travel without quarantine or self isolation will impact timing and recovery.

Lack of coordination and confusion

- Without alignment, confusion and uncertainty could limit visitor willingness to travel.

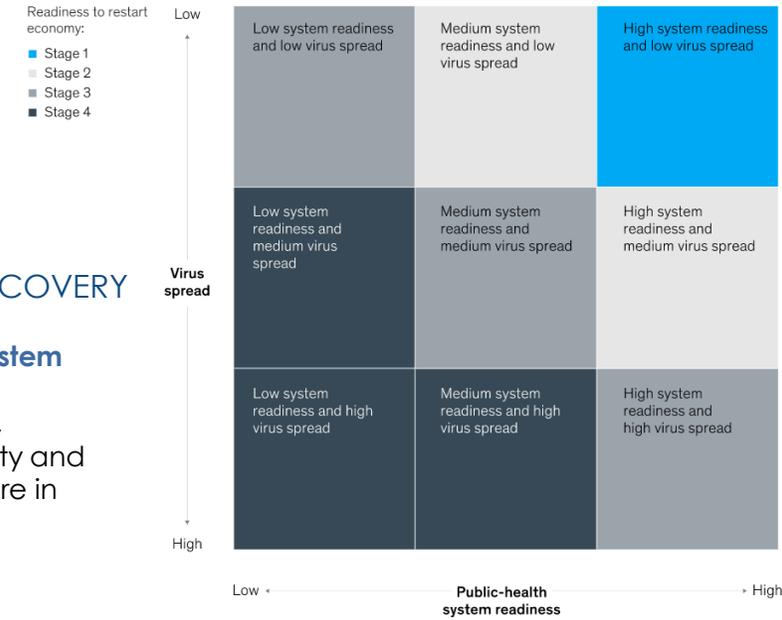
Lack of advance planning and notification

- Limits sectors ability to prepare & respond.

Policy drives uneconomic outcomes

- E.g. distancing on aircraft. Uneconomic loading will require financial support to deliver flights.

The local response matrix can help governments understand the COVID-19 outbreak in regions more precisely.



McKinsey & Company

<https://www.mckinsey.com/featured-insights/coronavirus-leading-through-the-crisis/charting-the-path-to-the-next-normal/when-can-your-region-reopen-it-depends-on-the-strength-of-its-health-system>

ESCALATING RECOVERY

Invest in health system readiness

To ensure systems, response capability and communication are in place

ESCALATING RECOVERY

Ensure policy and response scenarios are timely, clear and widely communicated.

Maintain and build resourcing and commitment to regional tourism and aviation organisations (PASO, SPTO) and regional tourism and aviation political forums to strengthen regional focus, responsiveness, information sharing and alignment around tourism response and recovery

Provide clarity as soon as possible to give the sector advance warning to enable response – airlines, travel sector including agents, tourism operators

Utilise up-to-date global best practice information to inform decision-making around policy and proactive decision-making

PACIFIC TOURISM REACTIVATION: KEY FACTORS

3 Propensity



The propensity of travellers to travel and the willingness of host countries, communities and the tourism sector to open, will impact demand and timing of reactivation for the sector.

POTENTIAL ISSUES

Lack of traveller or host community confidence: health, changing situation and uncertainty.

Messaging is not focused on those with a propensity to travel and resources wasted

There is not information and insights to enable a realignment of messaging and targeting to reflect the changed market environment

ESCALATING RECOVERY

Targeting: INFORMATION is required to understand identify, monitor and respond and refine targeting and marketing investment, and messaging. Including realigned targets competitive positioning if appropriate and activation focus.

Ensure access to travel **insurance** policies easily.

Provide **flexible bookings – air and land**

Establish clear health testing and response process that deliver confidence.

<p>Preparedness</p> <p>Local support for local businesses from local people</p> <ul style="list-style-type: none"> Local demand Domestic tourism 	<p>Primary targets Response</p> <p>Select the most important or aligned source market(s) Activate the engaged</p> <ul style="list-style-type: none"> Friends and family Business - experience Previous travellers to the country Previous Pacific travellers New type of traveller post Covid 19 – with an understanding of who is the traveller of the future Build shared databases 	<p>Secondary targets Recovery</p> <p>Closely target those with the greatest propensity to respond to a clear and differentiated experience and value proposition – Who will purchase (based on information)</p> <p>Test and rapidly adjust targeting, messaging and offers to further optimise engagement and demand.</p>	<p>Expanding focus Endurance</p> <p>Expanded source market targeting and activation as appropriate.</p> <p>Clarify and focus additional traveller targets</p> <p>Spread window of demand – Develop 12 month activation targets and strategies</p> <ul style="list-style-type: none"> School holiday offsets Off peak price promotions Seasonal experience calendars Targeting non time constrained travellers
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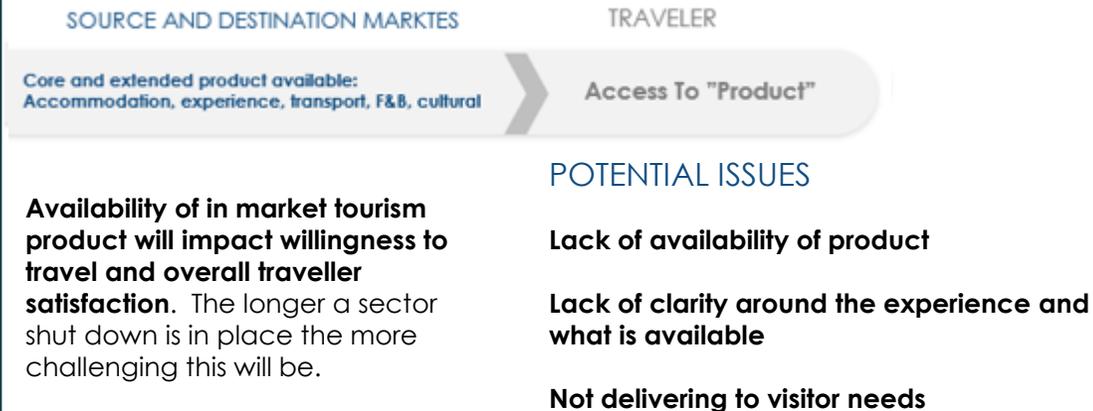


PACIFIC TOURISM REACTIVATION: KEY FACTORS

4 Connectivity



5 Availability



ESCALATING RECOVERY

Maintain minimum scheduled freight flights –

- Support emergency supplies and maintain fresh product exports
- Maintain sector infrastructure to enable fast response

Maintain compliance and certification PASO. Critical at all levels including pilot hours (access to simulators) and certification, airline operating certification, aircraft maintenance and certification. Certification process must continue to avoid surge demand on reopening which could create a bottleneck and an inability to fly. **Continue to maintain and build Aviation sector systems** to maintain momentum towards international standards compliance.

Continue to support PAIP Pacific Aviation Investment Project to maintain and build core aviation infrastructure and to enable reopening and sector recovery and future resilience

Provide clarity around reopening scenarios – to enable pre planning and supply forecasting

Stimulate demand on reopening to support aviation capacity building

Consider the future viability and role of domestic airlines as a basis for a future competitive environment and local connectivity: resilience

ESCALATING RECOVERY

Coordinating sector reopening to ensure a depth of appropriate product is available if possible, and communicate this.

Digital and on line material

- Bringing the experience to life through images and stories will increase traveller confidence and inspiration. Strong digital images and stories will support traveller confidence
- Enable direct online bookings through direct digital platforms.

Identify stimulation offers e.g. price discounting and development of easy experience packages to further stimulate demand. Work with wholesalers and the wider sector to activate.

PACIFIC TOURISM REACTIVATION: KEY FACTORS

6 Activation & enablement



ESCALATING RECOVERY

Information - to respond to the market and potentially adjust targeting, messaging and offers: The right messages and offers at the right time.

Accelerate relaunch marketing investment to drive demand and build further airline connectivity

Digital – activation, messaging and monitoring to better respond, tighten targeting messaging and offers quickly.



3

**Pacific
Recovery
response
Themes**



PROTECTING THE CORE
People and infrastructure

HEALTH AND SAFETY SYSTEMS
People and infrastructure

SKILLS DEVELOPMENT & BUILDING DIGITAL capability
AT EVERY LEVEL

PROPOSITION AND TARGETING
CLEAR DIFFERENTIATED STORY AND FOCUS

CONNECTIVITY
AIR CONNECTIVITY AND ACCESSIBILITY

TARGETED AND TIMELY ACTIVATION
Marketing

REGIONAL PARTNERSHIP
Building strength Platforms for collaboration

BUILDING SUSTAINABLE FUTURES
Social/cultural Economic Environmental Visitor

These response themes have been identified through wide pacific tourism and aviation sector consultation. They are relevant from individual businesses, to regions, pacific nations and the wider pacific region.

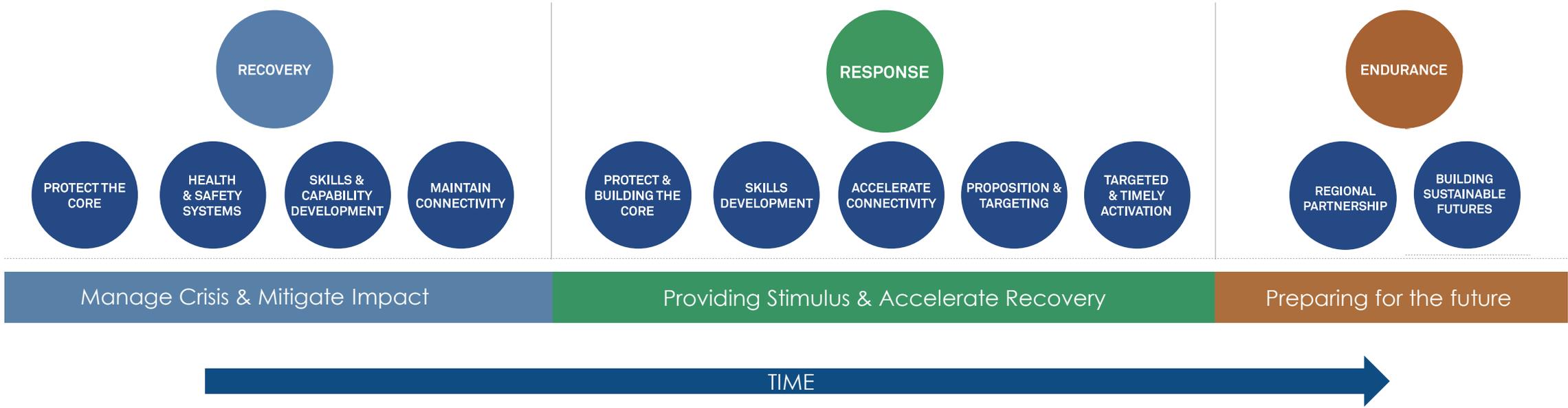


The themes have relevance for immediate **RESPONSE**, activating **RECOVERY** and future **ENDURANCE**

PACIFIC RECOVERY / CRITICAL RESPONSE THEMES & KEY INITIATIVES TO CONSIDER

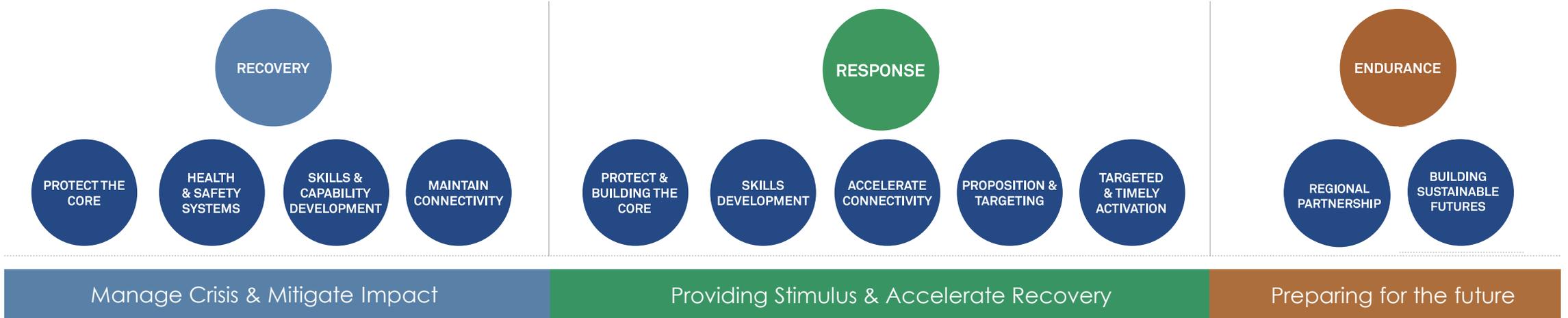
To mitigate risk and accelerate recovery. This chart highlights KEY OVERARCHING Initiatives options

THEMES	PROTECTING THE CORE	HEALTH & SAFETY SYSTEMS	SKILLS & BUILDING DIGITAL CAPABILITY	PROPOSITION & TARGETING	CONNECTIVITY	TARGETED & TIMELY ACTIVATION	REGIONAL PARTNERSHIP	BUILDING SUSTAINABLE FUTURES	
KEY INITIATIVES	<p>INFRASTRUCTURE</p> <p>INFRASTRUCTURE Protect supply: Business Financial support and stimulus</p>	<p>POLICY</p> <p>POLICY Develop and elevate health policy and systems</p>	<p>DIGITAL</p> <p>DIGITAL Invest in digital transformation at all levels; skills, connection, activation, fulfilment</p>	<p>DATA</p> <p>DATA Invest in information, analysis and insights partnerships. Build best practice systems and digital analysis and refinement</p>	<p>MAINTAIN & PROTECT</p> <p>MAINTAIN & PROTECT Airline connectivity and aviation sector infrastructure</p>	<p>FOCUS</p> <p>FOCUS Right proposition Right target Right partnerships Right timing Based on facts</p>	<p>TOURISM</p> <p>TOURISM Maintain and accelerate commitment to and support of regional tourism forums and SPTO</p>	<p>MARKET INTELLIGENCE</p> <p>MARKET INTELLIGENCE The foundation for evidence based decisions and strategy, including digital</p>	<p>SUSTAINABLE TOURISM</p> <p>SUSTAINABLE TOURISM Community Financial Environment Visitor</p>
<p>PEOPLE</p> <p>PEOPLE Protect people & skills: wage support and training stimulus</p>	<p>PROCESS</p> <p>PROCESS Invest in and ensure processes, equipment and systems are effective and deliver outcomes.</p>	<p>SKILLS & LEADERSHIP</p> <p>SKILLS & LEADERSHIP Invest in informing and enabling leadership at all levels from management to customer service</p>	<p>REFOCUS</p> <p>REFOCUS Re-evaluate positioning and messaging and channels to reflect shifts in demand. Target and ensure a differentiated WHY</p>	<p>BUILD CAPACITY</p> <p>BUILD CAPACITY Build demand and supply; frequency, destinations and local connectivity</p>	<p>ACCELERATE INVESTMENT</p> <p>ACCELERATE INVESTMENT To reactivate the market quickly and effectively</p>	<p>AVIATION</p> <p>AVIATION Maintain and accelerate commitment to and support of regional aviation forums and PASO</p>	<p>DISPERSAL</p> <p>DISPERSAL Extending regional dispersal and flattening seasonal demand peaks</p>	<p>GOVERNANCE & TALENT</p> <p>GOVERNANCE & TALENT DEVELOPMENT Strengthen capacity and inclusive decision-making</p>	
FORWARD							<p>DIVERSITY</p> <p>DIVERSITY Expanding supply and demand: Markets, products, services</p>	<p>PREPARE FOR CRISIS</p> <p>PREPARE FOR CRISIS Building resilience</p>	



Through time the response focus will change.

RESPONSE FOCUS: National and regional



1.REGIONAL PARTNERSHIP

THERE IS A STRONG ROLE FOR REGIONAL PACIFIC COLLABORATION : SPTO and CROP partners, to elevate the Pacific, and Pacific nations in border reopening strategy, policy and process development.

- To build aligned efficiency, effectiveness and enable quick response to a rapidly changing environment.

1.LOCAL RESPONSE

Local nations have unique situations, tourism environments and priorities and will respond and prioritise in different ways



ACCELERATING RECOVERY / BREAKDOWN OF OPTIONS TO CONSIDER

Through RECOVERY, RESPONSE and ENDURENCE stages, the response focus will change. Some initiative options are more **National** and some more **Regional** in focus.



PROTECT THE CORE

1. **Incentivize job retention**, sustain the self-employed and protect the most vulnerable groups
2. **Support companies' liquidity**
3. **Review taxes, charges, levies and regulations** impacting transport and tourism –offer temporary suspension or reduction.
4. **Include tourism in national, regional and global economic emergency packages**
5. **Create crisis management mechanisms and strategies**

HEALTH & SAFETY SYSTEMS

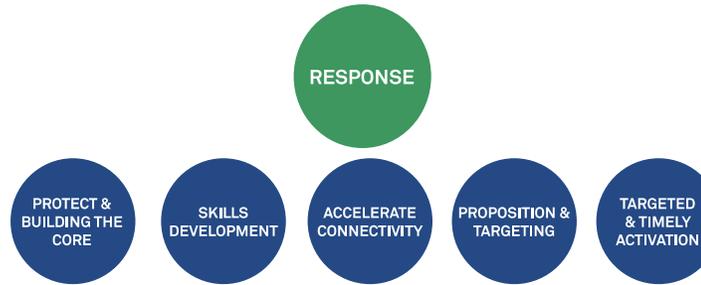
6. **Health safety, monitoring & response systems** and assurance programmes reporting and communication.

SKILLS & CAPABILITY DEVELOPMENT

7. **Promote skills development**, especially **digital skills**
8. **Advance informed and enabled leadership** at all levels

MAINTAIN CONNECTIVITY

9. **Maintain minimum air connectivity** supporting freight, passenger capacity and to maintain airline sector infrastructure reporting and communication.



PROTECT & BUILDING THE CORE

10. **Provide financial stimulus** for tourism investment and operations
11. **Review taxes, charges and regulations** impacting travel and tourism
12. **Mainstream sustainability** in stimulus and recovery packages (Host community, economic, visitor, environmental)
13. **Invest in partnerships & develop platforms for collaboration**
 - Create aligned tourism recovery and planning at all levels – regional, local, international
 - Set a common plan of action with clear objectives, an inclusive approach, and common initiatives where relevant.
 - Promote digital platforms to monitor, promote and co-invest

SKILLS DEVELOPMENT

14. **Promote new jobs and skills development**, particularly digital ones

ACCELERATE CONNECTIVITY

15. **Work with airlines** to optimise supply response to demand

PROPOSITION & TARGETING

16. **Understand the market and act quickly to restore confidence** and stimulate demand via focused messaging and experience solutions.
 - Clearly defined competitive propositions WHY
 - Product and experience availability (may include pricing)

TARGETED & TIMELY ACTIVATION

17. **Advance travel facilitation** – travel policy
18. **Ensure consumer protection and confidence** to boost/encourage future travel
19. **Boost marketing**, including digital, direct, aligned



PARTNERSHIP

20. **Develop and build regional tourism governance and strength** at all levels, building and maintaining strong sector organisations

BUILDING SUSTAINABLE FUTURES

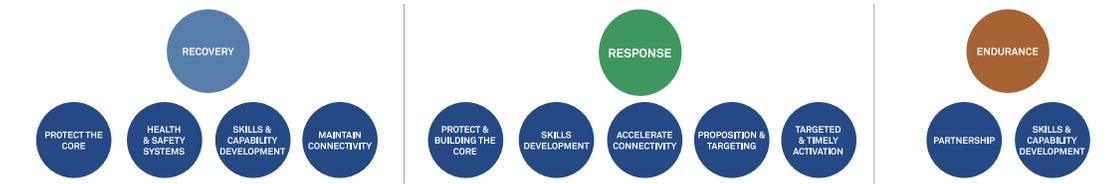
21. **Invest in market intelligence systems and digital transformation**
22. **Dispersal.** Invest in regional dispersal enablers, initiatives and strategies. Spreading demand peaks
23. **Diversify** markets, products and services with focus
24. **Prepare for crisis**, build resilience and ensure tourism is part of national emergency mechanism and systems
25. **Invest in human capital** and talent development
26. **Place sustainable tourism firmly on the regional and national agenda**
27. **Transition to the circular economy and embrace the SDGs** (sustainable development goals)

KEY

- | **National Focus**
- | **Regional Focus**
- | **National & Regional Focus**



The following slides outline the 27 initiative options in more detail





RECOVERY Manage the Crisis & Mitigate Impact



PROTECTING THE
CORE
*People and
infrastructure*

NATIONAL OPTIONS TO CONSIDER

1. Incentivize job retention,
sustain the self-employed
and protect the most
vulnerable groups

**2. Support companies’
liquidity**

- **Provide incentives and if possible a wage subsidy scheme** to support businesses to retain their workforce, skills and capability
- **Develop programmes and policies that support self employed and the most vulnerable**
- **Promote, enable and support training programmes**, especially around digital capability, leadership and building other targeted skills. Online digital skills programmes offering different levels of entry, a skills progression and certification. Upskill digital capability regionally and across all levels of the sector. Build local leadership and management skills
- **Advance investment in sector infrastructure development** e.g. planting, environment maintenance and other development programmes to offer immediate employment
- **Support and enable alternative work options** e.g. New Zealand seasonal agricultural employment

- **Micro grants:** Provide small, well-targeted, non-refundable grants for small businesses, the self-employed and entrepreneurs.
- **Allocate travel and tourism with specific funding lines within Emergency Funds** and Programmes to support the most affected companies so that they can avoid bankruptcy and restart operations after the emergency. This will help ensure supply returns to the market.
- **Implement temporary exceptions or reductions on critical bills** such as electricity, communications, rent, etc.
- **Work with banks** to facilitate additional liquidity such as moratoria on loans repayments, loan guarantees or flexible credit loans for working capital.
- **Provide managerial support and mentoring**



RECOVERY

Manage the Crisis & Mitigate Impact

3. **Review taxes, charges, levies** and regulations impacting transport and tourism –offer temporary suspension or reduction
4. **Include tourism in national, regional and global economic emergency packages**
5. **Create crisis management mechanisms and strategies**

PROTECTING THE CORE

People and infrastructure

NATIONAL AND REGIONAL OPTIONS TO CONSIDER

- **Provide temporary suspension or reduction of travel and tourism taxes**, charges and levies, including GST and income taxes as well as specific tourism and transport charges in a fair, non-discriminatory and transparent manner.
- **Review regulations and consider flexible implementation of rules** related to the operation of tourism and transport companies, such as certification. This will help operators adjust or halt their operations, including by reducing the necessary administrative costs.
- **Ensure tourism and aviation are fully integrated in national, and regional emergency, mitigation and support planning and packages.**
- **Ensure national tourism leaders are included in the programmes stemming from international and regional organizations** such as the World Bank, Regional Banks and other regional funders. This will ensure support for MSMEs, for tourism infrastructure and for other areas that impact on tourism.
- Where not already in place, **create mechanisms to manage the current crisis** engaging all relevant stakeholders.
- **Develop and continue unifying messages** in support of consumer confidence and public perception.
- **Develop crisis and response scenarios** based on data and the current crisis dynamics – including shorter term (12 months) “bubble” and long term reopening (over 24 months) .
- **Develop a crisis response strategy to support tourism preparedness** for future mitigation and recovery needs based on these scenarios and considering optimising resources and timing of investment for reactivation.



RECOVERY

Manage the Crisis & Mitigate Impact

6. **Health safety, monitoring & response systems** and assurance programmes reporting and communication.



REGIONAL OPTIONS TO CONSIDER

- **Develop clear health policy, protocols and systems and plan for what will be required to enable and implement border reopening** – reflecting the dynamic local, Australasian and global health situation.
- **Ensure systems deliver safety and confidence** for local communities, the tourism sector and international visitors - Unifying messages in support of consumer confidence and public perception
 - Identify and develop processes and related technology, equipment and skills required to provide safety and confidence to local and partner communities – e.g. tracing apps, testing equipment and systems, border screening



RECOVERY

Manage the Crisis & Mitigate Impact

7. Promote skills development, especially digital skills

8. Advance informed and enabled leadership at all levels



REGIONAL OPTIONS TO CONSIDER

- **Support the unemployed to develop new skills for the recovery phases.** Useful skills can include the development of new products, marketing, market intelligence and digital skills in general.
- **Develop government-funded programmes of education and vocational training for the personnel of tourism enterprises that have been forced to close during the crisis.**
- **Develop free online training courses** - especially targeted in the digital and leadership areas
- **Cooperate with digital partners who have existing programmes to provide digital skills training for current and future tourism professionals and further promote existing digital learning opportunities.**
 - These programmes need to be tiered to build skills and capability at all levels from beginner to advanced with progression and certification.
 - The programmes will ideally be available in local communities and at a national level – with local support to provide practical hands on training
 - The tiered system will ideally enable all businesses to elevate their digital online capability from the most basic – having images available to upload to fully integrated direct to visitor on line planning booking, payment and online digital marketing and activation.
 - Coordination of national, regional and individual business platforms and material will enable more powerful and effective marketing activation and conversion.
- **Support leadership training and development at all levels** – There is an opportunity to elevate local capability with the loss of many expat personnel over the Covid-19 period.
- **Invest in regional and national tourism leadership capability and capacity** and support strategic planning to ensure focus and effectiveness of any tourism spend
- **Ensure information is available to inform decision-making** and support is available if required to utilise information and focus planning and strategy



RECOVERY

Manage the Crisis & Mitigate Impact



NATIONAL AND REGIONAL OPTIONS TO CONSIDER

9. **Maintain minimum air connectivity** supporting freight, passenger capacity and to maintain airline sector infrastructure

- **Maintain minimum connectivity**, enabling the continuation of airfreight, passenger capacity and the ongoing operation of airline sector infrastructure
- **Review aviation sector taxes and fees** to reduce financial pressure on non commercial flights
- **Continue to support aviation sector infrastructure** to ensure safety and ability to maintain compliance and certification for border opening and tourism sector relaunch including airports, air traffic control, airline sector maintenance and operations systems and personnel.
- **Maintain compliance and certification PASO.** Critical at all levels including pilot hours (access to simulators) and certification, airline operating certification, aircraft maintenance and certification. Certification process must continue to avoid surge demand on reopening which could create a bottleneck and an inability to fly.
- **Continue to maintain and build Aviation sector systems** to maintain momentum towards international standards compliance and ensure sector capability and safety on reopening.
- **Consider the future viability and role of domestic airlines and air operators** as a basis for a future competitive environment, local connectivity and tourism aviation services: resilience
- **Promote, enable and support the continued development of airline sector capability and compliance in the Pacific**, to ensure future sector resilience and sustainability.
 - Increasing safety
 - Increasing local skills and capability
 - Increasing effectiveness and responsiveness
- **Provide clarity around reopening scenarios** – to enable pre planning and supply forecasting
- **Stimulate demand on reopening to support aviation capacity building**



RESPONSE

Providing Stimulus & Accelerating Recovery



NATIONAL OPTIONS TO CONSIDER

10. Provide financial stimulus for tourism investment and operations

11. Review taxes, charges and regulations impacting travel and tourism

- **Create special incentives** e.g. for digital transformation, training and hiring
- **Promote fast track scheduled investment in infrastructure and tourism sector development** e.g. maintenance and development of tourism sites, aviation sector infrastructure investment, sustainability programmes
- **Develop investment mechanisms for projects that improve effectiveness efficiency or improve competitiveness** – e.g. sustainable energy, Improved information to inform marketing decision-making, protection or development of local environmental assets
- **Promote funds to incentivise or enable the development direct to consumer marketing and fulfilment - disrupting traditional supply chains that can take substantial margin from the local sector**
 - Strengthening national tourism organisations – to support and facilitate digital capability and local platforms
 - Identifying and enabling the use of digital marketing and monitoring platforms with data tracking
- **Ensure that sustainability and accessibility principles are adhered to in all investments**, notably in transport, accommodation, natural and cultural assets. This will further enhance the competitiveness of the sector
- **Evaluate all general and specific taxes, charges and regulations** on tourism, transport, aviation and related industries within the context of economic recovery
- **Extend or create new temporary exemptions or reductions** of corporate taxes, air transport taxes, GST on accommodation and restaurants, tourism taxes and other charges



RESPONSE

Providing Stimulus & Accelerating Recovery

12. Mainstream sustainability in stimulus and recovery packages (Host community, economic, visitor, environmental)

13. Invest in partnerships & develop platforms for collaboration



REGIONAL OPTIONS TO CONSIDER

- **Approach recovery as an opportunity to jump start the sector towards a new model of sustainability;** considering
 - **Financial** - business is successful in the long term
 - **Environmental** – protect and enhance the environment on which tourism businesses depend and local communities live in
 - **Communities** – support and protect local communities
 - **Visitors** – ensure visitors have outstanding experiences at all touch points
- **Create aligned tourism recovery and planning at all levels – regional, local, international**
 - Support and strengthen participation in SPTO, PATA, PASO, Develop a regional Pacific aviation forum; to enable responsive and accelerated response and recovery, coordinating, informing and enabling.
- **Develop best practice regional facts and information to powerfully inform decision-making** with clarity around implications, options and strategies arising
- **Promote digital platforms to monitor, promote and co-invest, reflecting prioritised regional strategic objectives and agendas**



RESPONSE Providing Stimulus & Accelerating Recovery



REGIONAL OPTIONS TO CONSIDER

14. Promote new jobs and skills development, particularly digital ones

- **Support and enhance government-funded programmes of tourism education and training.**
- **Develop training** programmes to promote employment and skills development, especially leadership and management, service and hospitality, digital skills, for tourism, and particularly for the unemployed.
- **Utilise on line training and face to face where relevant.**
- **Identify training opportunities geared towards new experience development** - culture and creative industries, nature, sports, medical and wellness tourism to create new innovative all-year around products.
- **Ensure measures are equally accessible to women and other groups, notably youth, people with disabilities, rural and indigenous communities.**



RESPONSE Providing Stimulus & Accelerating Recovery



NATIONAL AND REGIONAL OPTIONS TO CONSIDER

15. Facilitate airline sector connectivity: Air connectivity, Airline sector operation,

Work with airlines to optimise supply response to demand and Coordinate sector reactivation to ensure availability.

Identify mechanisms directly with airlines to manage availability, in an environment where initially flights may be uneconomic and/or ticket prices very high.

Ensure airline sector and airport systems and resources are able to respond to increasing demand and potentially more intensive screening efficiently.

Ensure there is protection for visitors if there is rapid change - to schedules or requirements and provide mechanisms to deliver a good customer experience.

Ensure aviation sector infrastructure, and systems are in place, comply with regulations and have certification. Elevate investment to ensure future resilience.



RESPONSE Providing Stimulus & Accelerating Recovery



NATIONAL AND REGIONAL OPTIONS TO CONSIDER

16. Understand the market and act quickly to restore confidence and stimulate **demand** via focused messaging and experience solutions.

- **Communicate with transparency** and support national tourism organisations and companies to restore confidence among consumers to restart travel as soon as the health emergency allows for it.
- **Invest in data and intelligence systems** to monitor attitudes and willingness to travel and locals to have visitors, anticipate trends and adjust product design and marketing strategies.
- **Review the story WHY.** Ensure national marketing propositions and messaging is relevant clearly differentiated and drives propensity to visit, and adjust if required. Consider the role of Pacific regional activation investment – based on insight.
- **Address the underlying shifts in demand.** Understanding possible changes in consumer preferences and behaviour post-crisis will be critical. •
- **Review the supply of tourism product** available at the time of relaunch and re align targeting and promotional programmes if required.
- **Time visitor marketing and communication investment** to align with visitor sentiment – willingness to travel and sector relaunch.
- **Identify and design special promotions** for markets and segments that tend to bounce back more quickly, such as previous visitors, special interest travel.
- **Harness the full potential of social media and digital platforms** in relaunch



RESPONSE Providing Stimulus & Accelerating Recovery



NATIONAL AND REGIONAL OPTIONS TO CONSIDER

17. Advance travel facilitation - travel policy

Ensure that travel restrictions introduced in response to Covid-19 are continuously assessed

Work closely to coordinate and align with other countries in the region, source markets, and later the implications of transit policies to the Pacific from global markets.

Ensure that information on travel restrictions and their lifting is accessible, consistent and reliable, including processing and systems information. Communicate this widely across different platforms.

Consider the impact of distancing requirements on safety and also airline economics, seat costs and processing space and needs in airports and related costs.

18. Ensure consumer protection and confidence to boost/encourage future travel.

Work with the private sector to promote fair arrangements for consumers to give visitors confidence to book.

- **FLEXIBILITY:** the ability to change bookings and refunds for cancelation in certain circumstances, ensuring consumer are fully protected.

Work with travel insurers to enable Pacific cover

Ensure there is a clear health response process and this is clearly communicated: What happens and how will travellers be looked after if they get sick.



RESPONSE Providing Stimulus & Accelerating Recovery



NATIONAL AND REGIONAL OPTIONS TO CONSIDER

19. Boost marketing, including digital, direct, aligned

- **Information and facts:** Ensure very good information is available to inform strategy and planning
- **Support national tourism organisations, and individual business level, in boosting marketing investment, impact and effectiveness.**
- **Identify key messaging and offers required to accelerate demand** (through research) and invest in a targeted way
- **Invest in pacific regional marketing if the value of this is supported by information**
- **Ensure effectiveness is monitored** and changes made in content and targeting to optimise response and return on investment



ENDURANCE Preparing for the Future

**REGIONAL
PARTNERSHIP**
Building
strength
Platforms for
collaboration

REGIONAL OPTIONS TO CONSIDER

20. Develop and build regional tourism governance and strength at all levels, building and maintaining strong sector organisations

- **Continue to support and build capacity within multi lateral regional Pacific tourism and aviation forums and organisations**, building enhanced effectiveness future resilience in a changing and globally competitive environment.
- **Ensure national tourism governance mechanisms fully engage the private sector, local communities and promote a 'whole government' approach to tourism development.**
- **Develop and strengthen Destination Marketing and management organizations for an effective and sustainable development of tourism at local level.**



ENDURANCE Preparing for the Future

BUILDING SUSTAINABLE FUTURES

Social/cultural
Economic
Environmental
Visitor

REGIONAL OPTIONS TO CONSIDER

21. Invest in market intelligence systems and digital transformation

- **Evidence based decisions and strategies are key, particularly in moments of crisis.**
- **Invest in data, analysis and partnerships** that allow for close, short term monitoring of tourism development and impact, and support the development of responsive targeted and effective strategies for growth
- **Identify best practice and fit for purpose partnerships** that deliver timely data, information and analysis
- **Embrace digital on line analytics** enabling fast response and refocus around targeting and marketing to optimise effectiveness and return on marketing investment
- **Collaborate regionally to identify best practice**

22. Dispersal

- **Invest in regional dispersal enablers, initiatives and strategies.**
 - Prioritise regional air connectivity where relevant including airline services and landing strips/ and infrastructure
 - Support effective regional positioning strategies - with clear visitor targets and activation strategies, reflecting the experience and product on offer
 - Build local community business partnerships to support local community involvement and benefit
 - Build digital capability to ensure excellent marketing material and direct to visitor activation to retain as much revenue in the local economy as possible.
- **Spreading demand peaks**
 - Develop a 12 month market development strategy and align airline, targets, product and experience targets to optimise off season demand

23. Diversify markets, products and services with focus

- **Utilise data and insights to identify prioritised and targeted growth opportunities**



ENDURANCE Preparing for the Future

BUILDING SUSTAINABLE FUTURES

Social/cultural
Economic
Environmental
Visitor

REGIONAL OPTIONS TO CONSIDER

24. Prepare for crisis, build resilience and ensure tourism is part of national emergency mechanism and systems

25. Invest in human capital and talent development

- **Review all the lessons learned**, including the need to improve risk assessment and crisis preparedness within both the public and private sectors.
 - **Ensure the inclusion of tourism and transport in national emergency mechanisms and systems.**
 - **Create Tourism Emergency Plans** and resources and fully embrace the principles of crisis preparedness and management in the tourism sector.
 - **Review existing rules and regulations defining the relationship between consumers, providers, intermediaries as well as insurance policies** to better cater for times of exception and spread the risks associated with the crisis.
 - **Ensure adherence and compliance with International Health Regulations**
-
- **Build resilience** and prepare for the future of work through a skilled and prepared workforce and adequate education and training strategies.
 - **Set partnerships** with travel and tourism industry leaders, universities, educational centres, digital players, chambers of commerce, and tourism associations to advance new skills for the future of work and to meet the skills needed by the sector.
 - **Ensure that more vulnerable groups such as women, youth, immigrants and people with disabilities are explicitly included in human capital strategies.**
 - **Ensure a safe and healthy working environment** by introducing preventive and protection measures to minimize workers' exposure to risks.
 - Review Pacific visa requirements to support skilled tourism workers to be able to work throughout the pacific, retaining skills and responding to need.



ENDURANCE Preparing for the Future

**BUILDING
SUSTAINABLE
FUTURES**
Social/cultural
Economic
Environmental
Visitor

REGIONAL OPTIONS TO CONSIDER

26. Place sustainable tourism firmly on the regional and national agenda

27. Transition to the circular economy and embrace the SDGs (sustainable development goals)

- **Further invest and enable the development of sustainable tourism across:**
 - **Financial** - business is successful in the long term
 - **Environmental** – protect and enhance the environment on which tourism businesses depend and local communities live in
 - **Communities** – support and protect local communities
 - **Visitors** – ensure visitors have outstanding experiences at all touch points
- **Use data and insights to understand how to utilise sustainability as a core differentiating platform for the Pacific** - to generate competitive advantage
- **Realignment:** There is an opportunity from the crisis to refocus on the development of strategies that enhance coordinated action and decisions across all stakeholders (Pacific countries, tourism operators, airlines, distributors, visitors, etc.) in the tourism value chain.
- **This can support integrating circularity in tourism operations, transitioning to more resource efficient and low carbon tourism operations, while also enhancing the competitiveness of businesses and resilience of communities and the sector as a whole.**

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Appendix



TARGETING EXPERIENCE MODES

In a time of market uncertainty, understanding and responding to targets who have the greatest propensity to travel and respond to a destination proposition, will provide more options to pivot if necessary.

While a travel experience will include different and varied experiences, there will often be a primary experience driver.

- **Information** will help Priorities core source markets and identify key experience targets with strong propensity to travel
- **Developing product and packages and 'stories' to respond to these needs** has the potential to increase marketing effectiveness, traveller satisfaction and demand.
- Cost of travel and destination access can substantially shift the travel mix and targeting will need to shift to reflect this.
- **We must understand the traveller of the future as the post Covid-19 environment develops and be able to pivot the sector, targeting and product to reflect emergent demand**

MODAL TRAVEL EXPERIENCE NEEDS hypothesis

