

MEDIA RELEASE

October 10, 2024

COUNCIL SUPPORT OF AIR CHATHAMS AND OUR NZ TOURISM MARKET PROFILE

Air Chathams will continue to enjoy the current rate of discounted fees at the Norfolk Island airport as agreed with Norfolk Island Regional Council in July 2022.

A substantial discount arrangement applies to passenger embarkation and disembarkation fees for Air Chathams flights, and at its 9 October 2024 meeting, NIRC moved to retain the existing discount through to 31 December 2024.

The contract between the airline and NIRC clearly sets out discount levels, and this was expected to form the foundation from which Air Chathams could plan their seasonal flights and develop their Norfolk service. The purpose of the discounts, which NIRC has offered to Air Chathams since 2018, has always been to encourage ongoing tourism from New Zealand.

A recent media report quoting a senior Air Chathams officer implied that NIRC is unsupportive of the airline and does not invest in marketing activities in the New Zealand tourism market, which is untrue.

With tourism a major driver of the island's economic health, NIRC allocates budget, staff and resources to supporting Air Chathams and developing a profile in New Zealand.

During the October Council meeting it was noted that, contrary to information circulating amongst local media, NIRC has invested in New Zealand tourism marketing through the provision of budget and resources, including:

- Allocation in the 2024/25 marketing budget, exclusively for the purposes of marketing to the New Zealand tourism market.
- A contracted allocation for marketing the route, paid directly to Air Chathams, as part of the 2022 contract.
- In-person attendance by the NI Tourism team leader at an Air Chathams' tradeshow in New Zealand in June 2024.
- Inclusion of Air Chathams in the NI Tourism presentation at both the Australian Tourism Exchange and the Treasures of the South Pacific Roadshow, which presented Air Chathams as a service provider to 200+ trade partners in August 2024.
- Paid advertising in Island Time magazine (NZ) in the winter and spring editions 2024.
- NI Tourism, along with local accommodation and tour companies donated to two separate events in New Zealand in the 2024/25 financial year.

NIRC has the unique responsibility of operating and maintaining an airport without negatively impacting on the budget for the local government services that are essential for the community, such as roads, waste management, and parks and gardens.

The airline's request for a higher level of support does not consider the increased costs associated with accepting international passenger flights, estimated to be almost half a million dollars.

Running an airport with international flights comes with the strict requirement of maintaining a particular CASA certification for a high level of Aviation Rescue Firefighting Service (ARFFS), which the Norfolk Island airport holds purely in order to accept Air Chathams flights.

These requirements, which represent a major investment and ongoing costs, are not required for domestic flights from Australia.