

Friday 1 August 2008

DARWIN AIRPORT WELCOMES JETSTAR'S HUB

Darwin Airport has welcomed the news that Jetstar will establish a seven aircraft hub in Darwin, connecting numerous Australian cities with key Asian destinations.

Jetstar today announced that three aircraft will be based in Darwin by June 2009, with the base growing to seven aircraft in the future. As a sign of its commitment to Darwin, Jetstar will operate connecting services from Adelaide, Melbourne, Sydney and Cairns to Singapore and Ho Chi Minh City from 1 September 2008. Jetstar currently operates 46 flights into and out of Darwin each week. A seven aircraft hub has the potential to grow this to over 190 flights per week.

The Airport continues to work closely with Jetstar and all its airline partners in determining future requirements at Darwin. Passenger traffic at Darwin Airport is forecast to grow significantly in future years, and to cater for this growth last week Darwin Airport released the Draft MDP for a major expansion to the passenger terminal. As part of the Major Development Plan, public consultation on the proposed \$60M expansion has commenced, with Darwin Airport also working with airline partners to finalise design details and the commercial arrangements required to underpin the expansion.

Today's announcement follows Tiger Airways' decision to suspend Darwin services from 26 October 2008, citing high fuel and airport costs for the decision.

The issue of high security costs at Darwin Airport was also raised by Jetstar CEO Alan Joyce, "Challenges include the need to have a competitive charging regime at Darwin Airport. We continue to work cooperatively with the airport to realise this outcome."

In its submission to the Aviation Policy white paper, Northern Territory Airports has called on the Federal Government to provide a level playing field for regional airports which are disadvantaged with high Government-mandated security costs. These high costs are driven by airport-specific requirements which in the case of Darwin and other regional centres is spread across a much smaller passenger base than major capital city airports.

Government-mandated security charges at Darwin Airport make up over 57% of total airport charges per international departing passenger, and 42% per domestic passenger. In comparison, security costs as a percentage of total airport charges at Australia's major gateways ranges from 12% to 30% for international and domestic passengers.

Compared to last year, from November 2008 capacity on the Melbourne-Darwin sector will be up four flight per week (total 14), while Darwin-Singapore will be up from 11 to 14 flights per week. Additionally, there will be 5 new services per week Sydney-Darwin and Darwin-Ho Chi Minh from 1 September 2008.

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