

Wednesday 13th May 2009

Darwin International Airport Terminal Expansion Update

Darwin International Airport has been advised that the application for Infrastructure Australia funding support of \$30 million for its Terminal expansion program has been unsuccessful.

"Naturally, we are very disappointed by this decision as we believed we had a very strong "shovel ready" project that would provide substantial benefit to all Territorians, particularly in the tourism sector, not to mention the creation of many jobs," Chief Executive Officer Ian Kew said today.

"However, the management at Darwin International Airport is particularly appreciative of the significant support received from our many stakeholders throughout the application process."

The Terminal expansion was intended to cater for increased traffic demand until 2015 including the development of Darwin as Australia's Northern Gateway. However the timing of the project has become increasingly uncertain due to the world economic crisis. This has impacted on the airport's ability to raise funds, compounded by the difficulty of securing a new long-term pricing agreement with airlines.

"We understand the airlines need to keep their costs as low as possible, particularly in the current economic environment. It is much harder for airlines, particularly low cost carriers, to readily agree to larger increases in airport charges in these difficult times". Mr Kew said.

"Australian Government funding would have significantly helped reduce the necessary increases in our airport charges associated with the Terminal expansion project," he said.

"We are continuing to negotiate with Jetstar and our other airline customers and we hope we can still reach an agreement to commence our project this year.

However, without the Federal Government funding, this process has been made more difficult," he said.

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