

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Ms J Carney

to Minister for Business and Economic Development

Airfreight Trials - Review

1. What is the result of the review conducted into the Labor government's bungling of the Malaysian Airlines Freight Trial?
2. Who conducted the review?
3. What was the cost of the review?
4. Is your government planning another freight trial similar to this?

ANSWER

1. The airfreight trial was an industry development initiative to increase the international airfreight capacity to assist NT exporters to ship products direct to international markets. The results from an independently facilitated workshop on the 15 December 2004 attended by industry, provides the views and needs of industry in developing an international airfreight service and produced the following recommendations:
 - This Industry Working Group should identify who should be involved and include Freight Forwarders, Consolidators, Exporters, NT Airports, NT Horticultural Association and Seafood Council, with the specific members being nominated by industry.
 - The Industry Working Group clarifies the objectives and outcomes and the strategy by which this is sought. For example, should the objective be achieved through increasing the viability of passenger services through additional freight, or through dedicated freighter services? The primary objective of the initiative needs to be made clear and understood by all parties to maximise collaboration and communication between the sectors.
 - All aspects of the potential viability of airfreight out of Darwin should be researched. Assuming that any link will include Darwin on a flight from a South East Asian hub to a southern destination, the viability is impacted by the available freight on all legs of the flight, such as domestic inbound and outbound as well as international inbound and outbound.
 - The criteria for identifying freight to attract additional capacity be determined, for example type of freight, volume and seasonality, value, and consistency which impact on the viability of any service.
 - The criteria for selecting an airfreight service to provide additional capacity must also be determined by the group, for example; regularity of service, capacity, the ability to

reach the targeted destination within the requested timeframe and estimates of freight rates.

- Support for the Working Group to be provided through the Department of Business, Industry and Resource Development.
- These actions be implemented to ensure that the on going lack of airfreight capacity does not constrain future growth of NT industry.

2. Adam Gordon of Catalyst Consulting Darwin

3. Cost of the review includes the workshop and the report: \$1,710

4. Whether a further airfreight trial will be conducted will depend on the research outcomes as per the recommendations from the report.