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10 June 2005

Ms Margaret Arblaster  
General Manager Transport & Prices Oversight  
Australian Competition & Consumer Commission  
GPO Box 520J  
Melbourne VIC 3001

Dear Margaret

**RE: Airservices Australia (AsA) Draft Aviation Rescue Fire Fighting Services (ARFFS) Price Notification**

This letter is in response to a request for comment by the Australian Competition & Consumer Commission (ACCC) with respect to their Preliminary View regarding AsA's proposed interim price plan for the provision of Aviation Rescue and Fire Fighting Services. This letter is additional to our response to AsA on the 28<sup>th</sup> April 2005 and copied to the ACCC on the same day. We would urge you to revisit our submission as it remains extant.

Our objection to the AsA interim price proposal for ARFFS is based on the following criteria:

#### **ACCC Requirement**

The ACCC in its Final Decision of December 2004 required AsA to consult widely with their stakeholders to come up with a new long term pricing proposal for the provision of ARFF services following extensive consultation. As this has not happened to date, why then is an interim price rise acceptable?

#### **Cost Transparency**

Assumed in the consultation process above was the expectation that AsA would provide the true costs of provision of ARFF services to our port. Again, as the consultation process has not happened we are no wiser regarding real costs.

#### **Outdated Data**

As pointed out in our letter to AsA on the 28<sup>th</sup> April 2005, the International Air Transport Association (IATA) activity data forecasts are woefully inaccurate. For instance, the ARFFS tonnage used in the AsA model was 831K; our estimate is 985K tonnes or a difference of 154K tonnes. AsA cannot continue to use IATA forecasts that pertain to a changed industry. We now have competition amongst the low

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cost carriers which has resulted in growth significantly greater than that used by AsA in its pricing model. Gold Coast Airport Limited (GCAL) believes that a complete review of the AsA forecasts for Gold Coast needs to be done before any increases in ARFF changes can be considered.

### Summary

GCAL looks forward to the AsA consultative process, however until such time that the consultation actually takes place we cannot agree to any interim price amendment as it is based on flawed information and is without justification. This is in line with the ACCC's stated position in the December 2004 determination that they were only prepared to look at a new AsA ARFF pricing proposal following a complete review of their pricing strategy and extensive consultation with Industry.

GCAL does not support AsA's request for an interim price rise and would urge the ACCC to reject their application.

Yours faithfully

A handwritten signature in black ink, appearing to read "Barrie Briggs", with a long horizontal flourish extending to the right.

**Barrie Briggs**  
General Manager Aviation  
Gold Coast Airport Limited