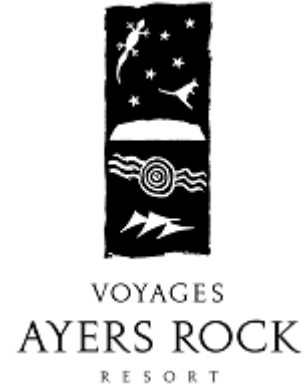


9 May 2005

Matt O'Brien  
Airport Services Group  
Air Services Australia  
4/2 Brindabella Circuit  
Canberra Airport  
PIALLIGO ACT 2609



Dear Mr O'Brien

**RE: INTERIM PRICE AMENDMENTS – ARFF SERVICES**

I am responding to your correspondence to our CEO Mr Grant Hunt and whilst I realise my response is beyond your timeframe for consultation, I still feel it important that Ayers Rock Resort make comment.

I note the interim amendments being proposed but I must say that the amendments whilst being of benefit to some, do not address the issues raised with Mr Paul Logan by Ayers Rock Resort in our correspondence of 28<sup>th</sup> June 2004.

The interim amendments do not address the issues we have raised with destinations such as Ayers Rock operating in remote areas with substantially higher infrastructure costs due to our physical location, but those costs being spread over an exceptionally low base of passengers per annum. The fact is that under the proposed arrangement, Ayers Rock Airport is still to be charged \$16.82 per landed tonne, whilst Sydney Airport is charged \$0.88 per landed tonne for the same service.

It is still Voyages' belief that the charging model should find a way to even out the cost burden between regional and major capital airports. In lieu of using the network pricing approach we seek a cap on charges. Voyages further supports the continuation of the Commonwealth fuel excise if the funding can help offset regional costs.

As we have previously stated, this impost puts remote airports at a distinct disadvantage when competing with other mainstream destinations as the costs are affrayed over a much smaller number of passengers at a higher cost per passenger.

The second interim amendment you propose refers to no charges at Maroochydore and Townsville for aircraft between 5.7 tonne and 15.1 tonne and your correspondence states as justification that this continues with no charges at those ARFFS facilities that were most recently established. Does that not apply to Ayers Rock Airport?

In our previous correspondence, we also commented on advice given by ASA that they have made significant operating costs since 1999, but we still believe more can be done. The ARFFS facility at Ayers Rock Airport is due for completion June/July and has been built at significant cost and whilst a magnificent facility, it would appear far more than is required to meet the needs at Ayers Rock Airport. Firemen permanently based at Ayers Rock Resort instead of shifts rotating on a fortnightly basis would also significantly reduce operating costs.

Apart from staff and facility costs, we are still concerned that ASA seeks to recoup an unreasonable amount of corporate overheads from the service provided at Ayers Rock Resort.

Ayers Rock Resort generates employment for almost 1,000 people at the Resort and many more externally. The ramifications of significant price increases have a far and wide ranging affect that may not be obvious to individuals not directly associated with the tourism industry. If travel to Ayers Rock is so expensive that it becomes prohibitive, tourists may not visit the region or perhaps Australia at all.

There still does not appear to be any real transparency when setting out the new charging regime proposed by ASA and because of that, it is difficult to analyse in an effective way. The Airport operator is entitled to a greater degree of transparency as are the travelling public who will ultimately fund the service.

In our view, the proposed amendments will have little affect on the charging regime proposed for Ayers Rock Airport and consideration needs to be given to the competitive disadvantage our airport and others like it face.

Please do not hesitate to contact me if you wish to discuss this further.

Yours sincerely



**David Bennett**

General Manager  
Commercial Operations

c.c. Rod Nelson - Manager Aviation, NT Government  
Margaret Arblaster – GM Transport and Prices Oversight, ACCC  
Chris Brown – CEO, Tourism Task Force  
Grant Hunt – CEO, Voyages  
Mark Lind – Resort General Manager

Ayers Rock Resort

Managed by Voyages Hotels and Resorts Pty Ltd ACN 079 925 036 ABN 24 079 925 036 Trading as Ayers Rock Resort

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