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AIRLINES CONCERNED OVER MELBOURNE JET FUEL RATIONING

The Board of Airline Representatives of Australia (BARA) today expressed concerns on behalf of its members at the potential rationing of jet fuel at Melbourne Airport.

International airlines were last night advised that due to shipping delays, the National Operating Committee on Jet Fuel Supply Assurance (NOC) changed the fuel supply status in Melbourne to a 'black traffic light', indicating the need to ration fuel. Disturbingly, Melbourne Airport went from 'green' to 'black' in about one day, providing airlines with very little notice to respond to the supply shortage.

"BARA's first priority during this event is that all industry stakeholders, especially the existing jet fuel suppliers, work together to resolve this matter promptly. Affected airlines will do all they can to minimise disruptions to the travelling public. But the primary responsibility lies with the fuel suppliers themselves," BARA Executive Director Barry Abrams said.

"At the same time, BARA believes this is an issue that has been foreseeable for some time. In fact, BARA and individual members have privately raised concerns over the reliability of jet fuel supplies to Melbourne Airport with industry stakeholders over the course of last year," Mr Abrams said.

"An unreliable supply of jet fuel is damaging to the industry. Our member airlines are particularly concerned that fuel rationing could potentially disrupt airline schedules and the travel plans of customers during the holiday period," Mr Abrams said.

BARA has long argued that supply chain constraints and lack of effective competition among jet fuel suppliers stymie industry performance and impedes growth.

To address supply chain constraints and boost competitive outcomes in jet fuel supply, in December 2014 BARA released a major policy paper – [A Competitive Supply of Jet Fuel at Australia's Major International Airports](#) – which sets out a reform path to open up competition and break down bottle necks in the jet fuel supply chain.

"The industry can do better than this. As set out in our policy paper, there is the potential to improve both the reliability of supply and competitive pricing of jet fuel. What is needed is the collective effort of all industry stakeholders to initiate the necessary reforms," Mr Abrams said.

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