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## Media release

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### **AIRLINES CONCERNED OVER FURTHER MELBOURNE JET FUEL RATIONING**

The Board of Airline Representatives of Australia (BARA) today expressed concerns at the potential rationing of jet fuel at Melbourne Airport, for the second time this year.

International airlines were last night advised by the National Operating Committee on Jet Fuel Supply Assurance (NOC) that it had changed the fuel supply status in Melbourne Airport to a 'black traffic light', indicating the need to ration fuel. Jet fuel at Melbourne Airport was most recently rationed in late January 2015.

"As this is the second time in 2015 that jet fuel rationing has been required at Melbourne Airport, it is becoming increasingly obvious that airlines do not have access to a reliable and competitive fuel supply at the airport," BARA Executive Director Barry Abrams said.

"This restriction is concerning because continued unreliability of supply will act as a strong brake over the ongoing growth of air traffic in and out of Melbourne.

"BARA's first priority during this latest event is that all industry stakeholders, especially the current jet fuel suppliers, work together to resolve this matter promptly," Mr Abrams said.

BARA has long argued that supply chain constraints and lack of effective competition among jet fuel suppliers stymie industry performance and impede growth. The re-emergence of this issue today adds further weight to BARA's argument.

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.

"To its credit, Melbourne Airport has issued an expression of interest (EOI) over the ongoing provision of jet fuel storage and distribution facilities at the airport. Well implemented reforms here can at least open up this element of the supply chain to new jet fuel providers," Mr Abrams said.

"Melbourne Airport's efforts, however, may not be enough to open the jet fuel market to new suppliers given other supply chain constraints.

"The Australian and Victorian Governments need to consider if it's in the nation's interest to risk prosperity in Victorian aviation and tourism by allowing the current jet fuel suppliers to determine the reliability and competitive supply of jet fuel at Melbourne Airport," Mr Abrams said. **[ENDS]**