



## SUBMISSION COVER SHEET

### APPLICATION FOR DECLARATION OF THE JET FUEL SUPPLY INFRASTRUCTURE SERVICES AT SYDNEY AIRPORT

Please complete and submit this form along with your submission by no later than **5.00pm on Monday 21 November 2011** as follows:

- |  |            |  |
|--|------------|--|
| <p>1. <b>By email to:</b><br/>jetfuel@ncc.gov.au</p> | <p>AND</p> | <p>2. <b>In hard copy to:</b><br/>Submissions – Jet fuel<br/>National Competition Council<br/>GPO Box 250<br/>Melbourne VIC 3001</p> |
|--|------------|--|

**Individual/Company/  
Organisation:** Regional Aviation Association of Australia

**Address:** 11/26-28 Winchcombe Court

**Suburb/town:** Mitchell **State:** ACT **Postcode:** 2911

**Principal contact:** Paul Tyrrell

**Position/title:** Chief Executive Officer

**Telephone:** 02 6162 0305 **Fax:** 02 6162 0308

**Email address:** office@raaa.com.au

#### Declaration

I declare that, to the best of my knowledge and belief, the information provided in the submission is true, correct and complete, that complete copies of supporting materials or evidence have been provided and/or clearly identified, and that all estimates are identified as such and are the best estimates of the underlying facts and that all the opinions expressed are sincere.

*Paul Tyrrell*  
**Signature of authorised person**

Chief Executive Officer  
**Office held/title/position**

Paul Tyrrell  
**(Print) Name of authorised person**

14 November 2011  
**Date**

Note: If the submitting party is a corporation or organisation, state the position occupied in the corporation by the person signing. If signed by a solicitor on behalf of the submitting party, this fact must be stated.

#### Confidential information

**Please indicate if your submission:**

- contains NO confidential material
- contains SOME confidential material (in which case please provide two copies of the submission – one with all of the confidential information removed and this copy with the confidential information clearly identified and marked)



14 November 2011

Mr John Feil  
Executive Director  
Submissions - Jet fuel  
National Competition Council  
GPO Box 250  
Melbourne VIC 3001

Dear Mr Feil,

## **APPLICATION FOR DECLARATION OF THE JET FUEL SUPPLY INFRASTRUCTURE SERVICES AT SYDNEY AIRPORT**

### **The RAAA and its Members**

The Regional Aviation Association of Australia (RAAA) was formed in 1980 as the Regional Airlines Association of Australia to protect, represent and promote the combined interests of its regional airline members and regional aviation throughout Australia.

The Association changed its name in July 2001 to the Regional Aviation Association of Australia and widened its charter to include a range of membership, including regional airlines, charter and aerial work operators, and the businesses that support them.

The RAAA has 29 Ordinary Members (AOC holders) and 57 Associate/Affiliate Members. The RAAA's AOC members directly employ over 5,000 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than \$1b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. Annex A lists the Ordinary Members of the RAAA.

RAAA members operate in all States and Territories and include airlines, airports, engineering and flight training companies, universities, finance and insurance companies and government entities. Many of RAAA's members operate successful and growing businesses providing employment and economic sustainability within regional areas.

Some examples of RAAA members' presence in regional Australia is the REX hub in Wagga Wagga, SkyWest in WA, Sharp Aviation in Hamilton, Airnorth, Chartair and Vincent Aviation Northern Territory networks, West Wing Aviation in Mt Isa, Airlines of Tasmania in Hobart and Skytrans operations from Cairns, to name a few.

*Serving regional aviation, and through it, the people and businesses of regional Australia*

Unit 11, 26-28 Winchcombe Court, Mitchell ACT 2911

ABN: 23 008 568 054 Telephone: 02 6162 0305 Facsimile: 02 6162 0308 Email: [office@raaa.com.au](mailto:office@raaa.com.au) Website: [www.raaa.com.au](http://www.raaa.com.au)

## **RAAA Charter**

The RAAA's Charter is to promote a safe and viable regional aviation industry. To meet this goal the RAAA:

- promotes the regional aviation industry and its benefits to Australian transport, tourism and the economy among government and regulatory policy makers;
- lobbies on behalf of the regional aviation industry and its members;
- contributes to government and regulatory authority policy processes and formulation to enable its members to have input into policies and decisions that may affect their businesses;
- encourages high standards of professional conduct by its members; and
- provides a forum for formal and informal professional development and information sharing.

The RAAA provides wide representation for the regional aviation industry by direct lobbying of Ministers and senior officials, through parliamentary submissions, personal contact and by ongoing, active participation in a number of consultative forums.

## **RAAA Response to the Application For Declaration of the Jet Fuel Supply Infrastructure Services at Sydney Airport**

The RAAA supports the two applications for declaration lodged by the Board of Airline Representatives of Australia (BARA) under Part IIIA of the Competition and Consumer Act 2010 (Cth) ("the Act").

Regional airlines, aero medical providers, charter companies, freight operators and other aviation entities operate frequently into and out of Sydney Airport and rely on the refuelling services provided at the airport. All of these operators depend on the ongoing availability of reasonably priced fuel and fuel services for the ongoing success and competitiveness of their operations.

Fuel supply companies and on-airport refuellers must have access to the fuel infrastructure provided at Sydney Airport (JUHI facility and on-airport pipeline network) as well as the Caltex pipeline which delivers fuel to the airport JUHI (collectively referred to as the "Airport Fuel Infrastructure"), in order to provide their services to airlines and other customers.

The Airport Fuel Infrastructure is owned and/or controlled by companies that are themselves offering fuel services on the airport, creating a vertically integrated monopoly structure that not only allows the owners/controllers to limit or deny reasonably priced access to the infrastructure by other parties, but also gives them an incentive to do so.

The RAAA submits that the Airport Fuel Infrastructure meets the declaration criteria set out in section 44G(2)(b) and (c) of the Act, and that access to the services provided by the Airport Fuel Infrastructure meets the declaration criteria set out in section 44G(2)(a), (e) and (f) of the Act.

Current arrangements with respect to the Airport Fuel Infrastructure and fuel distribution services at Sydney could lead to the exclusion of other fuel companies wishing to access the infrastructure. Given acceptable access, these companies have the potential to offer fuel under more favourable arrangements than currently exist. This could increase competition in the fuel supply market and positively impact competition in the airline market and other markets in which fuel users (such as our members) are operating.

As demand for fuel grows at Sydney Airport, the Airport Fuel Infrastructure will become increasingly constrained. We submit that, over time, this will correspondingly increase the incentive and ability to limit or preclude access to third party competitors and for the owners/controllers of the Airport Fuel Infrastructure to maximise prices to customers such as our members.

The RAAA supports measures that will increase competition amongst fuel suppliers and allow for additional fuel supply companies or refuellers to operate at Sydney Airport. We expect that this would lead to lower fuel prices and greater competitiveness for fuel users. Given the highly competitive nature of airlines, freight companies and other aviation businesses, the benefits of lower fuel prices will be passed on to regional passengers and other customers through lower airfares and charges, and should have the effect of stimulating aviation activity.

Regards



Paul Tyrrell  
Chief Executive Officer

# Annex A: RAAA Ordinary Members

