

The Hon Mathias Cormann Senator  
Chair  
Senate Select Committee on Fuel and Energy  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

13 August 2010

Sent via Email: [fuelenergy.sen@aph.gov.au](mailto:fuelenergy.sen@aph.gov.au)

Dear Senator Cormann,

I appreciate that under Hansard testimony on February 26 2010, I referred to obtaining, where possible, further information on topics discussed under questioning.

In this specific instance the Questions on Notice where:

1. To provide a listing of petroleum storage terminal facilities in Australia and an indication as to their ownership.
2. To provide a summary of the number of days of petroleum volume covered by other Western countries as compared to Australia.

In making my comments on the availability of petroleum storage terminal facilities in Australia, I relied on information from the *Petroleum Import Infrastructure in Australia Report*, commission by the Department of Resources, Energy and Tourism, August 2009. In this report, the executive summary is attached, there are summary tables indicating terminal ownership, location and storage capacity, please refer to Tables 4 through 12, to obtain the information required. Though the report has provided baseline information, ACAPMA may not necessarily rely on the conclusions drawn by the report's authors, ACIL Tasman.

In summary, Australia has 66 terminals that can store petroleum products; Queensland (with 19) has the most. Nationally, 11 are owned by independents, one being ACAPMA Member Neumann Petroleum. Mining companies, such as Rio Tinto and BHP Billiton, own a further nine. The major oil companies control the remainder. Regardless of ownership, the report indicates that the vast majority of locations, based on capacity and throughput, cannot store any more petroleum products. In addition to the limitations on actual stock holding, terminals are experiencing constraints in other areas. The Sydney–Newcastle pipeline, which supplies the Silverwater and Newcastle terminals from Kurnell and Clyde refineries, is close to capacity, while shipping is constrained at many seaboard terminals by either draught limitations, pipeline constraints or frequency bottlenecks.

The answer of the second question on notice comes in part from the April 2008 report *Maintaining Supply Reliability in Australia*, published by the Australian Institute of Petroleum. This report indicates on page 8, that Australia has 45 to 50 days consumption cover in the supply line. It should be noted that this includes crude oil stocks in international waters, making its way to Australia. ACAPMA believes this needs to be discounted from the coverage total as it may be diverted or stopped outside Australia's sovereign control. The outcome would be a reduction of 14 days cover.



Unfortunately, I must admit that finding reliable data on other Western Countries consumption cover in the supply line proves to be difficult. Due to this, I would not like to draw assumptions on what might be the case.

ACAPMA's concerns about petroleum supply could be alleviated by long-term planning and investment in the industry, supported by the Australian and State Governments. However, when I look into the future, I cannot see this happening.

The nature of profitability in the downstream petroleum industry has meant that the major oil companies regularly review their capital expenditure globally. ExxonMobil's sale of part of its business suggests that withdrawal is preferred to renewed investment for some. Unfortunately, this could significantly disrupt the supply that ACAPMA Members rely on, if the next move is an exit from Australia completely.

I am pleased to be of assistance to the Senate Select Committee on Fuel and Energy and make myself available to the Committee at any stage in the future.

Yours Sincerely

  
Nic Moulis  
General Manager, ACAPMA