

Kuwait Petroleum International Aviation Company Limited

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The Secretary
Select Committee on Fuel and Energy
PO Box 6100
Parliament House
Canberra ACT 2600

25/06/09

Dear Sir or Madam,

Subject: Inquiry into Fuel and Energy

In relation to the Inquiry into Fuel and Energy I would like to make the following submission regarding the Jet fuel supply infrastructure in Australia and in particular the Sydney market.

Kuwait Petroleum International Aviation Company Limited (KPIAC) is a wholly owned subsidiary of the Kuwait Petroleum Corporation, the state oil company of Kuwait.

Kuwait Petroleum Corporation is one of the largest oil producing companies in the world and has a long term supply strategy to develop global aviation markets.

KPIAC have been working with Qantas Airways Ltd over the past seven years to build a robust supply chain to Sydney airport. Our joint study identified that the Sydney market faces an ever increasing shortage of Jet fuel. This has been confirmed by the supply shortages at the airport in September 03 and August 05.

KPIAC signed contracts to have constructed new import Tankage at the Vopak Botany Bulk Liquids Supply Terminal and these tanks became operational in March 2007. The decision to proceed with this strategy was endorsed at the highest levels in Kuwait and also within Qantas.

However access to the Sydney aviation market remains closed to KPIAC due to the limited access to the jet fuel pipeline. We believe this pipeline is in need of urgent investment to accommodate the growing fuel requirements of Sydney Airport in the future.

We believe that in order to achieve a competitive and robust supply chain the Australian government needs to intervene by either establishing a policy

covering essential jet fuel infrastructure to allow access to third parties with full price transparency and appropriate rates of return or, if the Government is unable to invest in new infrastructure, intervening to provide the necessary conditions to enable potential new infrastructure to be constructed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M.J. Ranger', with a stylized flourish at the end.

M.J.Ranger
Supply and Logistics Director