

From:
Mobil Oil Australia Pty Ltd
(As Operator of the Adelaide JOSF Joint Venture)
Level 9, 664 Collins St
Docklands Vic 3008

22 March 2019

To:
The Commissioners
Economic Regulation of Airports

via e-mail: airports@pc.gov.au

Re: Economic Regulation of Airports - Productivity Commission Draft Report

Dear Commissioners

The Adelaide Joint Operated Storage Facility (JOSF) Joint Venture (JV) wishes to respond specifically to the additional information request made by the Productivity Commission following the release of their draft report into the Economic Regulation of Airports. Mobil Oil Australia, as the operator and on behalf of the Adelaide JOSF JV would like to note the following:

- The Adelaide JOSF JV is an unincorporated Joint Venture comprising BP Australia Pty Ltd, Viva Energy Aviation Pty Ltd and Mobil Oil Australia Pty Ltd
- The Adelaide JOSF JV owns and operates the Jet storage located at Adelaide Airport. The hydrant reticulation system is owned by Adelaide Airport Limited (AAL).
- The Adelaide JOSF JV itself does not play a role upstream of the JOSF tank farm, and is not commercially involved downstream in provision of into-plane services at Adelaide Airport, nor in sales of Jet fuel to airlines. It also does not own the fuel it is transferring.
- The Adelaide JOSF JV maintains a strict confidentiality protocol amongst member companies, which is adopted from a global standard, provided by the Joint Inspection Group (JIG). This means that data relevant to the Adelaide JOSF JV is ring-fenced, and as such is only accessible to the Operator, in all respects in the role of Operator, and nominated Participant company representatives in respect of that individual Participant company information and for the Adelaide JOSF JV in the aggregate.
- The Adelaide JOSF JV has provided a safe, reliable and efficient model of storage operation for many years and considers the joint venture structure be the optimal model for the provision of these services to Adelaide Airport.

The Adelaide JOSF JV would like to note that the draft report into the Economic Regulation of Airports contains a number of requests for information from fuel infrastructure owners, made by the Commission. Specifically, the questions pertinent to the Adelaide JOSF JV relate to third party access to infrastructure services for the provision of jet fuel. In this regard, the Adelaide JOSF JV would like to note the following:

- The Adelaide JOSF JV has historically operated, and continues to operate, under an equity participation model for access to JOSF infrastructure, with access managed in accordance with the Adelaide JOSF JVs Joint Venture Agreement. In the past 10 years no party has expressed an interest to buy-in to the Adelaide JOSF JV;
- The assets of the Adelaide JOSF JV are located on an airport site leased to the Adelaide JOSF JV by Adelaide Airport Limited;
- AAL has notified the JV that it does not intend to renew the lease for the Adelaide JOSF JV. The future access arrangements for the storage facilities post lease termination are therefore unclear to the Joint Venture.

Should the Commission require further information, this can be provided confidentially.

Yours sincerely

John Waddick

Joint Venture Manager, Australia

On behalf of Adelaide JOSF Joint Venture