



Airport Fuel Services Pty Limited

NON-CONFIDENTIAL VERSION: FOR PUBLIC FILE

Submission in Response to Application for
Declaration by Board of Airline Representatives
of Australia of:-

The Service provided by the Sydney JUHI Facility at Sydney Airport; and
The Service provided by the Caltex Pipeline Facility to Sydney Airport

1. Executive Summary

Introduction

- 1.1 Airport Fuel Services Pty Limited ACN 003 980 078 (**AFS**) is a provider of into plane services at Sydney Airport and makes the following submission, in response to the applications of 26 September 2011 by the Board of Airline Representatives of Australia (**BARA**) to the National Competition Council (the **Council**) under Part IIIA of the *Competition and Consumer Act 2010 (Cth)* (**CCA**).
- 1.2 The applications by BARA¹ seek declaration of services provided by the following assets:
- the Caltex Pipeline Facility (**Caltex Pipeline**); and
 - the Sydney Airport Joint User Hydrant Installation Facility (**JUHI**).²
- 1.3 The BARA Applications advanced a number of contentions about the supply of into plane services at Sydney Airport, some of which AFS needs to correct or clarify in order to assist the Council to consider the Applications.
- 1.4 Further, in this submission AFS will also address the BARA contentions that declaration of the Caltex Pipeline and/or JUHI will promote a material increase in competition in a market for into plane services at Sydney Airport (**criterion (a)**).

Overview of AFS Response

- 1.5 AFS is an incorporated joint venture entity that provides into plane services at Sydney Airport. AFS does not carry out any other activity.
- 1.6 Because AFS is not a supplier of jet fuel to airlines at Sydney Airport (that is, AFS does not purchase or sell jet fuel), nor a supplier of other aviation services to consumers at Sydney Airport,³ AFS is not in a position to comment on those downstream markets suggested in the BARA Applications.
- 1.7 AFS understands that the task for the Council in assessing the BARA Applications against **criterion (a)** in **section 44G** of the CCA is whether declaration of the services provided by access to the Caltex Pipeline and/or the JUHI would improve the opportunities and environment for competition to a material extent in a dependent market.
- 1.8 AFS understands that the Council's assessment of this question is concerned with the process of competition in the suggested downstream market, rather than the particular commercial interests or pursuits of any party.
- 1.9 Hence, the relevant question is whether declaration would be likely to remove or reduce a barrier to entry to the downstream activity, such that the Council can conclude that it would significantly facilitate some real prospect of new entry in that activity.

¹ The application in relation to the Caltex Pipeline will be referred to as the **Caltex Pipeline Application**, and the application in relation to the JUHI will be referred to as the **JUHI Application**.

² collectively, the **BARA Applications**.

³ The activities which comprise into plane services are outlined in paragraph 2.8. Into plane services do not include ramp services or baggage handling.

1.10 If a dependent market is already effectively competitive, then AFS understands it would be unlikely that the Council would conclude that declarations would improve the competitive environment such that **criterion (a)** is satisfied.

1.11 For the following reasons, AFS contends that the Council cannot be satisfied that a declaration under either of the BARA Applications will satisfy **criterion (a)** in relation to the supply of into plane services at Sydney Airport:

- (a) There are minimal or no barriers to entry in relation to the supply of into plane services at Sydney Airport. Any person wishing to supply those services in competition with AFS or the other providers is able to do so. BARA virtually concedes this point in the Applications by noting,

"the existing service providers cannot prevent other willing and certified operators from delivering [into plane] services";⁴

AFS agrees with this statement.

- (b) One does not need a right of access to either the JUHI or the Caltex Pipeline in order to offer into plane services at Sydney Airport; the functions involved are distinct and not interdependent. The BARA Applications do not suggest any evidence or persuasive reason to believe that, even if declarations were made under s 44H of the CCA, in respect of the services offered by the JUHI and Caltex Pipeline, there would be an increase in the number of into plane service providers at Sydney Airport;
- (c) Into plane services at Sydney Airport are already subject to effective competition and the provision of access to the JUHI and Caltex Pipeline is not likely to materially change or improve that state of affairs;
- (d) The number of into plane services providers at Sydney Airport reflects judgments made about the efficient scale of into plane operations at Sydney Airport, and is similar to the number of into plane operations at comparable or larger international airports both within and outside Australia;
- (e) There is a real question whether there is a dependent market for into plane services at Sydney Airport, noting that AFS does not market or sell its service offering to airlines, nor operates as a profit centre in its own right, but rather is a dependent service provider for its shareholders; and
- (f) AFS is constrained by effective competition and by the pressure of its shareholders to ensure it undertakes into plane services at the lowest cost reasonably possible.

Confidentiality

1.12 This submission contains commercially sensitive information in relation to AFS and its shareholders, over which confidentiality is claimed. Accordingly, AFS has prepared a confidential version and a general release version of this submission.

⁴ JUHI Application, p.45; Caltex Pipeline Application, p.43.

2. What Are Into Plane Services?

Into Plane Services At Sydney Airport

- 2.1 Generally, AFS understands that when airlines purchase jet fuel at Sydney Airport, they purchase on a "delivered" basis from a jet fuel supplier. Fuelling a major commercial jet aircraft requires one operator between 20 to 90 minutes to complete, depending on the size of the aircraft and the fuel uplift required.
- 2.2 AFS understands that the price for "delivered fuel" will be made up of, among other things:-
- the cost of the fuel;
 - the cost of transporting the fuel to Sydney Airport;
 - the cost of moving the fuel into and through the Airport, such as through the JUHI;
 - the cost of delivering fuel from a hydrant or tanker into the aircraft (this portion of the supply service is performed by AFS); and
 - the cost of insurance and quality control.
- 2.3 At Sydney Airport, jet fuel is usually transported through the JUHI facility via the hydrant network to aircraft fuelling points known as hydrant outlets. AFS is responsible for the final step only in the delivery process - the delivery of jet fuel directly into aircraft, which is the main part of the supply of into plane services.
- 2.4 AFS provides a full range of into plane services to domestic and international airlines on behalf of its shareholders.
- 2.5 AFS has limited knowledge of competitor operations *per se*, but understands that ZIP Airport Services (a subsidiary of **Shell**) performs a range of into plane services at Sydney Airport. AirRefuel Pty Limited (a subsidiary of **BP**) provides a service for fuelling smaller general aviation and regional aircraft by tankers.
- 2.6 Including AFS, there are currently 3 operators providing into plane services at Sydney Airport. Each of AFS, Shell and BP maintain their own equipment and labour force.
- 2.7 The BARA Applications incorrectly state that Caltex is a supplier of into plane services at Sydney Airport.⁵
- 2.8 In general, into plane services covers some or all of the following:
- fuelling (refuelling) and de-fuelling commercial aircraft by either hydrant connection or tanker connection;
 - fuel quality processing and procedures;
 - in some instances, controlling or setting the refuelling panel on aircraft (switching);
 - balancing fuel loads; and
 - issuance of delivery dockets to aircraft pilots and engineers.

⁵ JUHI Application, 11.4(a), p.41; Caltex Pipeline Application, 11.4(a), p.40.

2.9 In order for an into plane operator to undertake into plane activities at Sydney Airport, it needs:

- to negotiate and obtain a licence from Sydney Airport Corporation Limited (SACL). This is required if an operator intends to have vehicles on the tarmac;
- trained personnel;
- to establish the vehicles and equipment necessary to supply fuel services to aircraft;
- to establish a source of supply of jet fuel at the airport or commercial relationship with a fuel supplier; and
- space to park vehicles and run back office.

Sydney Airport Conditions affecting the provision of into plane services

2.10 Sydney Airport annually uses approximately 2.7 billion litres⁶ of jet fuel and supports 3 into plane service providers.

2.11 Sydney Airport has 2 unique characteristics which affect the demand for into plane service providers. Firstly, a night-time curfew applies which restricts flights between 11 pm and 6 am.

2.12 Secondly, international flights to and from Sydney Airport generally experience 2 peak periods a day for arrivals and departures, which affect the logistics and management of into plane service support.

⁶ Estimated 2.6 - 2.8B in 2011, litres based on:(a) SJFWG 2009 data citing Sydney demand at 2.45B growing at between 4.2 and 7.22% compounded annually; (b) The BARA Application citing 2.9GL throughout.

3. Airport Fuel Services Pty Limited

Background to AFS

- 3.1 AFS was created in order to capture efficiencies as opposed to each fuel supplier operating its own into plane service operation.
- 3.2 AFS was incorporated in 1990 and has been in operation for 21 years at Sydney Airport.
- 3.3 The founding members of AFS were Caltex Oil (Australia) Pty Limited and Ampol Limited (Ampol). In 1992, membership in AFS grew to comprise the following shareholders:
- (b) Caltex Oil (Australia) Pty Limited, holding 20% of the issued capital;
 - (c) Ampol (currently known as Caltex Australia Petroleum Pty Limited), holding 20% of the issued capital;
 - (d) Mobil Oil Australia Pty Limited, holding 20% of the issued capital;
 - (e) BP Australia Limited, holding 20% of the issued capital; and
 - (f) Qantas Airways Limited, holding 20% of the issued capital.
- 3.4 After the merger of Ampol and the Caltex group in 1995, the operations of Ampol were taken over by the Caltex group. As a consequence, the Caltex group currently holds a 40% shareholding in AFS.
- 3.5 By combining services across multiple jet fuel suppliers, efficiencies were gained through elimination of duplication and costs which enabled AFS to better meet the demand of its shareholders and their airline customers.
- 3.6 As noted previously in this submission, AFS does not directly contract with the airlines purchasing jet fuel but with its shareholders who are the suppliers of jet fuel. Further, AFS has no involvement in, or knowledge of the terms or pricing for, the supply of jet fuel to airlines at Sydney Airport.
- 3.7 Qantas makes separate arrangements for the procurement of its jet fuel at Sydney Airport. Qantas self supplies part of their jet fuel as well as making arrangements with other jet fuel suppliers who deliver this fuel into JUHI for Qantas. Qantas will then utilise AFS and Shell to deliver jet fuel into aircraft and provide into plane services.

AFS Operations [Confidential]

3.8

[REDACTED]

3.9

[REDACTED]

3.10

[REDACTED]

AFS Business model

- 3.11 [REDACTED]
- 3.12 [REDACTED]
- 3.13 [REDACTED]
- 3.14 [REDACTED]
- 3.15 [REDACTED]
- 3.16 [REDACTED]
- 3.17 [REDACTED]
- 3.18 [REDACTED]

AFS servicing procedures

- 3.19 AFS currently employs a total of 43 staff, including 21 full time staff, 21 casual staff and one manager.
- 3.20 AFS employees are engaged for approximately 8-hour shifts, in which staff will attend to up to 7 or 8 refuellings per shift. Overtime is regularly worked in order to maintain a high level of service to align with airline schedules.
- 3.21 Fuelling vehicles can be operated by one staff member, which allows AFS to deploy multiple fuelling vehicles at any one time to manage the demand for into plane services.
- 3.22 Due to the nature of commercial aviation operations at Sydney Airport, AFS operations are highly contingent on meeting airline schedules, weather conditions and the changing requirements of airlines.
- 3.23 AFS meets the requirements of its shareholders' customers - the airlines - by scheduling fuelling in accordance with the scheduled flight and arrival times for each aircraft.
- 3.24 AFS is strongly motivated to achieve high levels of ontime performance to avoid flight delays and has good service levels for its shareholders' customers.
- 3.25 The majority of AFS work is performed for shareholders' international airline customers, although it does carry out some domestic aircraft fuelling. In the case of Qantas, they independently arrange for the supply of jet fuel to the JUHI, and then engage AFS and Shell to

provide into plane services, as noted in paragraph 3.7. The selection of which airlines are serviced by AFS is a function of the ability of AFS shareholders to sell fuel to that airline customer, or in Qantas' case, the management by Qantas of its fuelling requirements.

Caltex as Operator

3.26 Since AFS's inception, the shareholders of AFS have appointed Caltex Oil (Australia) Pty Limited, as the Operator of the company for the purposes of providing services including financial reporting, corporate accounting and secretarial functions, day to day operations and quality control guidance, and maintenance. AFS may change the shareholder responsible for carrying out such operation and maintenance by shareholder consent.

AFS Volumes Delivered [Confidential]

3.27 The following table states the total volumes of jet fuel delivered by AFS for all shareholders at Sydney airport in the periods stated.

Years	Total volumes delivered by AFS (litres)
2007	██████████
2008	██████████
2009	██████████
2010	██████████
2011 (estimate)	██████████

3.28 The nature of the variable volumes over the five years is further evidence of competition between the service providers.

3.29 AFS does not have any information about the volumes of jet fuel delivered at Sydney Airport by Shell or BP over the same periods.

Separation Protocols between AFS and its shareholders

3.30 There are a range of strict procedures and policies in place within AFS which are intended to ensure that the existence of AFS does not in any way affect or reduce the level of competition between AFS shareholders as suppliers of jet fuel to airlines.

3.31 AFS management and employees have no visibility or knowledge of the prices or terms and conditions on which any shareholder offers or supplies fuel to any airline which AFS is directed to provide into plane services.

3.32 Further, each AFS shareholder is not aware of the volume or price of jet fuel being supplied to airlines by each other AFS shareholder.

3.33 Protocols are in place (copies may be made available to the Council on request) which classify this information as highly confidential. For practical purposes, Caltex, in its role as the Operator, is aware of the total volumes flowing through AFS and of the volumes charges levied on each AFS shareholder. However, this information is contained and held separate

from the Caltex jet fuel marketing business. In other words, the Caltex jet fuel marketing business has no visibility as to the throughput of other AFS shareholders.

- 3.34 Neither AFS nor Caltex, in its role as the Operator, have any visibility of the price of jet fuel supplied by AFS shareholders.
- 3.35 AFS believes these protocols are effective and that its shareholders do not acquire, through AFS, any information about other shareholders' affairs, which could impact on or reduce competition in the supply of jet fuel at Sydney Airport.

New AFS shareholders

- 3.36 The constituent documents of AFS permit any person who can meet the criteria below to apply to become a new shareholder of AFS.
- 3.37 An applicant wishing to join AFS would need, among other things, to have the ability to supply compatible jet fuel, to purchase an equal equity share in AFS and be adequately certified to distribute jet fuel.
- 3.38 An equity share in AFS is valued as a fair proportion of the current assessed value of AFS, taking into account:
- in the case of fixed assets (plant and buildings), the current replacement value of such assets; and
 - in the case of other assets, the current replacement value of such assets less such allowances for fair physical wear and tear as is appropriate and reasonable in the circumstances.
- 3.39 AFS has not received any applications or inquiries from entities wishing to participate in the joint venture since 1992.

4. Approach to Declaration- Criterion (a)- Promotion of Competition in another market

The statutory criteria

- 4.1 AFS understands that the Council cannot recommend that a service be declared unless it is satisfied that all of the criteria listed in s 44G(2) of the CCA have been satisfied.
- 4.2 If the Council is not satisfied that one or more of the criteria are met, then it must recommend that the service not be declared.⁷
- 4.3 As noted above, AFS wishes to address the BARA contentions that declarations will promote a material increase in competition in another market, being a market for into plane services at Sydney Airport (**criterion (a)**).
- 4.4 In determining an approach under **criterion (a)**, the Council applies a 'future with and without approach', that is:⁸

'... a comparison of the future state of competition in the dependent market with a right or ability to use [the] service and the future state of competition in the dependent market without any right or ability or with a restricted right or ability to use the service.'

Criterion (a) - Promotion of competition

- 4.5 As the Council knows, **criterion (a)** is concerned with whether access to the relevant service will promote a material increase in competition in another market. The criterion provides that declaration can only occur where:

"access (or increased access) to the service would promote a material increase in competition in at least one market (whether or not in Australia), other than the market for the service".

- 4.6 The markets in which competition might be promoted are commonly referred to as "**dependent markets**".

AFS' Approach to criterion (a)

- 4.7 Coverage of **criterion (a)** addresses whether access to the Caltex Pipeline and JUHI would improve the competitive environments in markets other than the market for the services being declared.
- 4.8 AFS understands the issue for the Council is whether recommending declarations of the relevant services would improve the opportunities and environment for competition in dependent markets, so as to promote materially more competitive outcomes.
- 4.9 The assessment is concerned with the process of competition, rather than the particular commercial interests or pursuits of any party. If a dependent market is already effectively

⁷ NCC, Declaration of Services: A guide to Declaration under Part IIIA of the *Trade Practices Act 1974 (Cth)* (August 2009), paragraph 1.18 (**Declaration Guide**).

⁸ Declaration Guide, paragraph 3.28, quoting *Sydney Airport Corporation v Australian Competition Tribunal* [2006] FCAFC 146 at [83].

competitive, then it would be unlikely that access would improve the competitive environment such that **criterion (a)** is satisfied.⁹ In assessing **criterion (a)**, the Council will:¹⁰

- (a) identify the relevant dependent market;
- (b) consider whether the identified dependent market is separate from the market for the service to which access is sought; and
- (c) assess whether access (or increased access) would be likely to promote a materially more competitive environment in the dependent market.

4.10 AFS will address its comments principally to the last of these criteria.

No Dependent Market for Into Plane Services at Sydney?

4.11 In the view of AFS, there is a real question whether at Sydney Airport there is a distinct and separate market for the supply of into plane services to airlines.

4.12 The BARA Applications do not really develop a case in substance for why such a market should be recognised. The BARA approach merely argues that if access was available to the services offered by the JUHI and Caltex Pipeline-

"(n)ew jet fuel suppliers may also seek to provide 'end to end' services to airlines and other jet operators (supply to final delivery into aircraft) and, hence, compete in the market for into-plane services to airlines at Sydney Airport"¹¹.

4.13 That approach appears to treat into plane services as merely part of the function of jet fuel supply to airlines.

4.14 In these circumstances, it is difficult for AFS or the Council to consider the question whether the supply of into plane services at Sydney Airport forms as a distinct and separate market.

4.15 There appears to be no compelling reason put forward by BARA to suggest that independent suppliers of non-integrated into plane services would be likely to emerge at Sydney Airport, following declaration of the services offered by the JUHI or Caltex Pipeline.

Promotion of competition for into plane services

4.16 In order to satisfy **criterion (a)**, there must be a promotion of a material increase in competition for the provision of into plane services.

4.17 This would involve an improvement in the opportunities and environment for competition such that competitive outcomes are materially more likely to occur.

4.18 AFS contends that BARA has not put forward any persuasive argument as to why declarations under the BARA Applications would materially improve the opportunities and environment for competition for the provision of into plane services.

⁹ NCC, Final Determination on Application for a 15 year no coverage determination for the proposed QCLNG Pipeline (5 May 2010), [6.3].

¹⁰ Declaration Guide, paragraph 1.18.

¹¹ JUHI Application, p.5; Caltex Pipeline Application, p.6.

4.19 AFS understands that in considering **criterion (a)**, the Council is likely to be guided by the following principles:

There is no causal connection between a right of access and the ability to offer into plane services

4.20 Even if declarations led to an increase in the number of jet fuel suppliers, as suggested by BARA,¹² there is no reason put forward by BARA to suggest that there would be any new into plane operators at Sydney Airport.

4.21 Even if declaration leads to greater volumes of jet fuel flowing to Sydney Airport, (as distinct from a shift of volumes between suppliers) BARA have put forward no evidence to suggest that this alone will materially promote competition for the provision of into plane services.

4.22 Given the small number of into plane operators at airports comparable to or larger than Sydney (see paragraph 4.39 below), one could not assume that there would be any increase in number of into plane operators, even if there were new jet fuel suppliers.

4.23 Any new jet fuel supplier at Sydney Airport would likely consider the cost of provision of into plane services itself, and compare these to costs available (that is, the price quoted) from existing suppliers. Given the ability of the existing suppliers to spread their costs over a number of fuel suppliers (and volume), that price would likely be attractive for a new fuel entrant to use an existing supplier, rather than establishing its own into plane operations.

4.24 Therefore, in AFS's assessment, granting a declaration over either or both of the Caltex Pipeline or the JUHI cannot be said to, more likely than not, promote any material increase in competition for the provision of into plane services at Sydney Airport.

The barriers to entry are minimal

4.25 There are minimal or no barriers to entry in relation to offering of into plane services at Sydney Airport. The BARA Applications support this proposition.¹³

4.26 Any person wishing to supply those services in competition with AFS, or the other providers, is able to do so. The requirements for an entrant to commence the supply of services at Sydney Airport have been summarised in paragraphs 2.1 to 2.9 above, and are not substantial - a licence, trained staff, vehicles and developing a commercial relationship with one or more fuel suppliers or airlines.

4.27 As stated in the *Application by Services Sydney Pty Ltd*,¹⁴ BARA bears an onus of establishing that there must be some real prospect of entry for new entrants within a reasonable time for competition to be promoted.

4.28 BARA has not put forward any real case why one would expect new providers of into plane services to emerge, even if its Applications for declaration were successful.

¹² Caltex Pipeline Application, 1, p.6; JUHI Application, 1, p.5.

¹³ JUHI Application, p.45; Caltex Pipeline Application, p.43.

¹⁴ (2006) ATPR 42-099 at 44,788.

The ability and incentive to exercise market power?

- 4.29 Granting rights of access to services is unlikely to materially promote competition in the dependent market(s) if the subject service provider (upstream) does not have the ability and incentive to exercise market power to adversely affect competition in the downstream activity.¹⁵
- 4.30 AFS is not a profit centre for its shareholders and those shareholders have no incentive to "protect" AFS from additional competition in order to safeguard those "profits".
- 4.31 If a new supplier of into plane services could perform the tasks more efficiently and at lower cost than AFS, then AFS believes some of its shareholders would in time be more likely to switch to using such a provider, rather than seeking to prevent or deter its entry.
- 4.32 AFS believes that if its shareholders saw an opportunity to reduce costs or increase competition and efficiency in into plane services, they would have the incentive and ability to take that opportunity.

Effective competition for into plane services

- 4.33 Reference to 'competition' in **critterion (a)** is a reference to effective competition rather than to any theoretical concept of perfect competition. Hence, when there is already effective competition, the Council's view is that access is unlikely to promote a material increase in competition and an application for coverage that seeks to add to competition is unlikely to satisfy **critterion (a)**.¹⁶
- 4.34 The Australian Competition Tribunal has noted that there is sufficient competition in a dependent market in this context, if there is at least a reasonable degree of rivalry between firms, each of which suffers some constraint in their use of market power from competitors (actual or potential) and from customers.¹⁷
- 4.35 In relation to into plane services at Sydney Airport, there are a sufficient number of suppliers to manage daily demand, constrained by the service level requirements of the airlines and the fact that there are minimal barriers to entry (as discussed in paragraph 4.25 to 4.28).
- 4.36 Further, AFS as a provider supplies into plane services at cost price, therefore incentivising AFS shareholders to ensure the efficient supply of services.

No evidence of other providers seeking to enter

- 4.37 The argument by BARA in relation to into plane services at Sydney Airport is that it is likely that there will be new participants in the market for the supply of jet fuel¹⁸ and that of itself is likely to lead to new jet fuel suppliers offering 'end-to-end' services to airlines.¹⁹ As noted

¹⁵ Declaration Guide, paragraph 3.46.

¹⁶ Declaration Guide, paragraphs 3.42-3.43; *In the matter of Fortescue Metals Group Limited* [2010] ACompT 2 at [1068].

¹⁷ *Application by Chime Communications Pty Ltd (No 2)* [2009] ACompT 2 at [48], as confirmed in *In the matter of Fortescue Metals Group Limited* [2010] ACompT 2 at [1051].

¹⁸ JUHI Application 10.2(c) p.22.

¹⁹ JUHI Application 11.3(d) "*Downstream: Into-plane services at Sydney Airport*" p.38; 11.9 "*Downstream: Into-plane services at Sydney Airport*" pp.47, 49.

above, BARA, as the Applicant, is not seeking to provide into plane services, nor has BARA identified any entities likely to provide these services if its Applications were accepted.

4.38 In these circumstances, therefore, it is difficult to claim there is a *real prospect of entry* for entities to provide into plane services.

International comparisons of the provision of into plane services

4.39 The number of into plane service providers of Sydney Airport is comparable with those that operate in other major international airports. An overview of the jet fuel usage and service supply of major airports in the regions is provided below:

- (a) Sydney Airport annually uses approximately 2.6 - 2.8 billion litres²⁰ of jet fuel and supports 3 into plane service providers;
- (b) Bangkok Airport annually uses approximately 4.2 billion litres of jet fuel and supports 2 into plane service providers;²¹

AFS understands that:

- (a) Hong Kong Airport annually uses more than twice the volume of jet fuel than Sydney Airport, yet has only 2 into plane service providers; and
- (a) Singapore Airport annually uses more than twice the volume of jet fuel than Sydney Airport, yet has only 2 service providers.

4.40 Given the volume of jet fuel and number of into plane service providers at Sydney Airport, the structure and number of suppliers of into plane services is comparable to other similar sized airports. Services are supplied effectively by the incumbents. Further, Sydney Airport maintains a night-time curfew and experiences specific daily peaks in demand for into plane services, as outlined in paragraphs 2.11 and 2.12, which affects the demand for these services.

4.41 Therefore, a declaration of either or both of the Caltex Pipeline or the JUHI will not promote any increase in competition in into plane services, as the market is effectively supplied by the incumbents.

²⁰ Estimated 2.6 - 2.8B in 2011, litres based on:(a) SJFWG 2009 data citing Sydney demand at 2.45B growing at between 4.2 and 7.22% compounded annually; (b) The BARA Application citing 2.9GL throughout.

²¹ Bangkok Aviation Fuel Services (Publicly Listed Company), *Annual Report 2010*, p.30.