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Chain of jobs under threat if Viva shuts

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DAVE CAIRNS

A MAJOR Geelong manufacturing plant is at risk of becoming collateral damage of any prolonged shutdown of the Viva Energy oil refinery.

The LyondellBasell plant, which employs more than 50 people, will be directly impacted if Viva Energy decides it can't risk a return to full refinery production under the restrictive road map to reopen Victoria from COVID-19 lockdowns.

Further downstream jobs could also be affected if the Ly-

ondellBasell plant's supply of plastic feedstock is disrupted to Australian manufacturers.

Using refinery grade propylene, a by-product of crude oil refining, the plant is Australia's only manufacturer of polypropylene, which is used to make a wide range of plastic products such as food containers, industrial packaging, homewares and flower pots.

One of the largest plastics, chemicals and refining companies in the world, Lyondell-Basell can produce 132,000 tonnes a year of polypropylene in Geelong.

Based in Houston, LyondellBasell global external affairs director Kimberly Windon said the company was closely monitoring the situation involving the Geelong refinery and its other supplier, the Mobil refinery at Altona.

"Our facility is heavily inte-

grated with both Viva Energy and Mobil," Ms Windon said.

"Closure of either refinery would directly impact our facility and our ability to meet customer needs."

Geelong Manufacturing Council CEO David Peart said the example of LyondellBasell

showed the impact a prolonged shutdown of the refinery would have beyond the immediate impact on the refinery's 700 workers and all-important fuel supplies.

"The multiplier effects of oil refining are at the very high end and mean that many more jobs rely on the refinery through the wider supply chain," Mr Peart said.

The Geelong refinery is understood to have more than 50 suppliers, including engineering and maintenance contractors.

"We urgently call on both

Victorian and federal governments to speedily put into place the necessary support mechanisms to ensure that the Geelong refinery remains a key driver of Geelong and Victorian economic activity," Mr Peart said.

The refinery reported a loss of almost \$50m in the first half of the year. It will decide next month if the refinery, operating at about 60 per cent capacity as it completes a major maintenance project, will return to full production as planned in November or whether it will go into a full shutdown.