

A plant that's open-minded

*Bernadette
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FOR more than six decades the Geelong Refinery has been an iconic part of the city's landscape in the northern suburbs.

The chimney stacks are visible from most points of Geelong and it's one of the first parts of our skyline you see when arriving from Melbourne.

But, apart from those who have worked there, there would be few in the community who would actually know what goes on behind the gates of the refinery, now owned and operated by Viva Energy Australia.

Recently I was fortunate to be part of a stakeholder lunch and tour of the refinery with key Viva Energy employees.



INSIGHT: Viva Energy is holding an open day at the Geelong Refinery on Sunday, August 13.

Refinery general manager Thys Heyns outlined their future plans to ensure the plant becomes a more sustainable operation to manufacture for many years to come — “future proofing” the refinery so Viva Energy can continue to support a

workforce of more than

700.

Viva Energy supplies more than 50 per cent of Victoria's fuel needs, servicing the state's more than two million cars that run on petrol, the more than 500,000 trucks and cars

that need diesel and 800 ships.

They are also the only Australian manufacturer of solvents and bitumen and also avgas, which is used by pistonengine planes.

One of the major issues Viva Energy is facing is the cost of its energy bill, which is anticipated to rise in the next year by about \$50 million a year due to increased demand on domestic gas supplies and reductions in electricity generation capacity following the closure of the Hazelwood Power Station. This could bring the overall energy costs for the refinery to well over \$100 million a year.

That will lead to a 20 per cent increase in the refinery's operating costs.

While Viva Energy is already making changes around its energy operations, how it absorbs rising energy costs is shaping as a serious issue that needs to be addressed.

It costs two to three times more to operate a refinery in Australia than it does in Asia and the Middle East.

Viva Energy has already shown a strong commitment to its long-term future in Geelong by investing more than \$250 million into the refinery in the past three years, including \$150 million on major maintenance projects.

Viva Energy is one of the top 10 energy users in Victoria, with about a quarter of its yearly costs spent on buying natural gas and electricity to run the refinery. Improving energy efficiency is one of Viva Energy's key focus areas.

The Geelong Chamber of Commerce is concerned about unsustainable energy price increases many businesses face.

A recent survey by the Victorian Chamber of Commerce found that 40 per cent of businesses plan to absorb those costs into their profit margins and 21 per cent will pass those onto their customers.

The manufacturing sector will be the most affected by energy price rises so it's imperative that this issue is addressed as a matter of priority by both Federal and Victorian governments.

A long-term national plan, rather than ad hoc policies or picking winners, needs to be agreed and committed to by everyone.

We need effective leadership on energy policy now if we want to retain Australian industry and businesses, and the consequent jobs and positive economic impacts that flow from them, into the future.

If you'd like to find out more about what happens inside the Geelong Refinery, Viva Energy is holding an open day on Sunday, August 13, for the Geelong community. You can also book a tour of the refinery and learn how vital products such as petrol, diesel and jet fuel are produced.

Visit their website www.vivaenergy.com.au for more details.

Bookings are essential for the tour and conditions apply.

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Chamber of Commerce CEO.

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