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## AIP STATEMENT ON FUEL SECURITY PLAN

14 September 2020

Today's fuel security plan announcement by the Australian Government recognises the critical role of Australia's oil refineries in supporting the Government's long-term fuel security goal, its JobMaker Plan, and the considerable benefits the refineries provide to the Australian community.

"The package announced by Minister Taylor will help Australia's oil refineries at a time when the immediate viability of refineries right across the globe have been threatened by COVID19, and in turn, the long term future of the Australian refining sector", said AIP CEO Paul Barrett.

"COVID19 has decimated fuel demand, there is a global oversupply of petroleum products, and current and forecast refiner margins are unsustainably low. Without support, the future of Australian refining cannot be assured".

Australia's four oil refineries produce around half of Australia's total transport fuel requirements and a range of specialty products. These refineries are spread throughout Australia in Altona (Mobil Oil Australia) and Geelong (Viva Energy) in Victoria, Kwinana (bp Australia) in WA, and Lytton (Ampol) in Queensland.

"The capability to refine oil in Australia is a key strategic asset. The refineries not only provide the capacity to convert both domestic and imported crudes into the useable petroleum products sought by consumers and key fuel dependent industries such as farmers, truckers, miners and tradies, but they provide substantial direct and indirect economic benefits to the local economy", said Mr Barrett

The refineries each contribute on average around \$1 billion in direct and indirect local economic activity and flow on effects to other industries.

- As a high-tech industry, the refining sector has highly skilled workforces with an even mix between direct employees and contractors whose numbers can double during major maintenance events.
- Australian refining companies directly employ around 2,000 highly skilled workers (FTEs) at their refineries, and over 15,000 employees nationally.
- The Australian refineries also spend hundreds of millions each year purchasing goods and services in their local area and State, contributing to significant jobs and business opportunities.
- Reliability and security of supply for key transport fuels for businesses and consumers.
- Technology, innovation, and knowledge carry over to other sectors.

Australian refineries also contribute through community development activities, including local grants, donations, volunteer work, and sponsorship of community groups and programs.

"It is pleasing that the Government's approach has been to take a long-term view in supporting the refineries through these unprecedented times", said Mr Barrett.

"We look forward to working with Government to help secure the future of these valuable assets".

### *Media Contact*

Paul Barrett, AIP CEO: 0411 223 691