

23 November 2012

Australia's Oil Refinery Industry Inquiry Secretary
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Attention: Samantha Mannette

Dear Secretary

Australia's Oil Refinery Industry Inquiry – LyondellBasell Submission

I am pleased to provide the following information as LyondellBasell Australia's submission to Australia's Oil Refinery Industry Inquiry.

LyondellBasell Australia Pty Ltd (LBA) is headquartered in Melbourne, Victoria, and is the sole manufacturer of polypropylene (PP) in Australia. Polypropylene is a base material used in the manufacture of countless goods and products that enhance the quality of life for people around the world.

Polypropylene resins are manufactured at two sites, Geelong, Victoria; and Clyde, New South Wales, which are supplied propylene and ethylene raw materials from local refineries and petrochemical facilities.

PolyPacific Pty Ltd, a joint venture of LBA, located in Dandenong, Victoria, produces, markets and sells polypropylene compounds, which are used in specialized applications such as automotive bumpers.

LBA employs approximately 175 people, including chemical process operators, engineers, mechanical, instrument and electrical tradespeople, sales, marketing and product development personnel as well as logistics, finance and management staff.

LyondellBasell Australia is dependent on the east coast Australian refineries for the majority (>95%) of its key raw materials. Additionally, LBA purchases utilities (e.g. steam) from or shares a number of services (e.g. site security) with the Shell Clyde & Geelong refinery sites, where LBA's plants are located.

LBA is the only remaining local manufacturer of polypropylene in Australia. LBA supplies ~80% of local downstream polypropylene consumers (usually SME operations).

The remaining supply is provided by companies trading polymer products into Australia from off-shore polymer suppliers (mainly based in Singapore, Thailand, South Korea and the Middle Eastern countries).

Australia consumes approximately half of the amount of raw polypropylene that other developed economies consume. This is a result of the large volume of finished goods imported into Australia, many of which contain significant volumes of polypropylene (e.g. a modern motor vehicle can contain between 80

and 100 kg of polypropylene as molded parts of the vehicle - bumpers, dashboards, body panels, instrument parts and under-bonnet parts).

The attached information brochure provides more background on LBA.

Barry Kelly
Managing Director