



22 April 2025

Tess Macrae
Director – Competition Exemptions Branch
Australian Competition & Consumer Commission
Level 17, 2 Lonsdale Street
Melbourne VIC 3000

Dear Ms Macrae,

Thank you for the opportunity to provide a submission to the consultation process being undertaken by the ACCC on the **Soft Plastics Stewardship Australia application for authorization AA1000695**. Viva Energy Australia Pty Ltd (Viva Energy) offers these comments through the lens of our existing refining and polymers businesses, but also through the perspective of our ambition to play a significant role in the energy transition and circular economy. We are a joint venture partner with Cleanaway in a proposed soft plastics recycling project.)

In this submission we will:

- Outline our existing business and infrastructure footprint;
- Highlight our current projects and broader ambitions for participation in the circular economy;
- Provide an overview of key areas where government policy and regulation will be vital to ensuring the prosperity of a circular economy in Australia; and
- Provide comments related to the model outlined in the application.

1 Company overview

Viva Energy is an ASX listed convenience retailer, commercial services and energy infrastructure business, with a history spanning more than 120 years in Australia. The Group operates a convenience and fuel network of almost 900 stores across Australia and supplies fuels and lubricants to a total network of nearly 1,500 service stations. Viva Energy owns and operates the strategically located Geelong refinery in Victoria which supplies around 10 percent of the country's fuel needs and plays a critical role in underpinning our energy and national security needs. Our company also operates bulk fuels, aviation, bitumen, marine, defence, chemicals, lubricants and polymers businesses supported by more than 20 terminals and 90 airports and airfields across the country.

1.1 Geelong refinery

Geelong refinery is one of Australia's two remaining oil refineries processing up to 120,000 barrels of oil per day, manufacturing petrol and diesel, as well as LPG, jet fuel, avgas, bitumen, polypropylene, solvents and Low Aromatic Fuel – serving as the sole Australian producer for a number of these specialty products and feedstocks, some of which are relied on for additional manufacturing operations further down the value chain. It is a critical piece of infrastructure and together with the polypropylene plant is the last remaining infrastructure to enable chemical recycling of soft plastics in Australia.

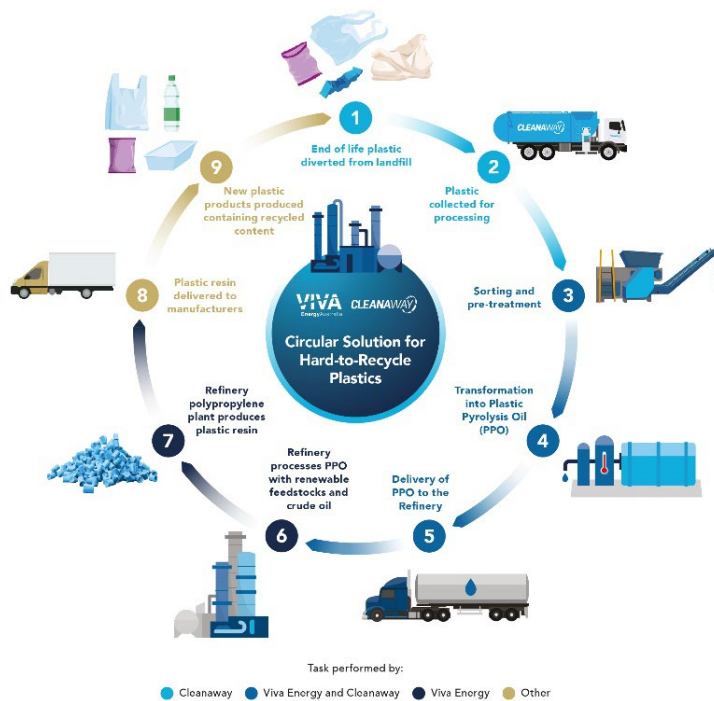
1.2 Viva Energy Polymers

Viva Energy is the sole manufacturer of polypropylene in Australia via the polypropylene plant we acquired in 2022 from LyondellBasell. The plant is co-located within the refinery site and is strongly complementary to Viva Energy's refining operations, utilising the refinery's propylene production as feedstock.

Geelong refinery holds a unique strategic position, having direct access to both the critical equipment – a Residue Catalytic Cracking Unit (RCCU) – necessary to process pyrolysis oil made from waste soft plastics as well as our polymers plant to ultimately produce plastic resins with recycled content. This chemical recycling capability has all but disappeared in Australia, with the closure of Qenos in 2024, at a time when advanced recycling solutions are most needed.

2 Partnership with Cleanaway for an end-to-end solution

In 2024, Viva Energy and Cleanaway announced that we were investigating the development of a unique circular solution for soft plastics which would involve the collection and sorting of soft plastics to then turn them into plastic pyrolysis oil (PPO) that could be processed in the Geelong refinery to make polypropylene from recycled content. The project would return these soft plastics currently destined for landfill, back into the feedstock to food grade plastic packaging. The refinery plays a critically important role in supporting Australia’s fuel security so a key aspect of the proposed project with Cleanaway has been to ensure we adequately understand the potential risks to the asset from processing PPO and any potential impacts on product quality of the fuels and products produced at the facility.



The key learnings have included the potential risks posed to the refinery kit from chlorides, silica and aluminium. It is vitally important that the appropriate controls in both the upstream sorting and packaging design are present to protect this important facility and to enable a circular solution in Australia.

We want to provide a sustainable soft-plastics solution for food manufacturers and packaging companies seeking to cater to the growing environmentally conscious market, as well as households and businesses who want a landfill-diversion option for this waste stream. This proposed investment would make a significant contribution to achieving the Commonwealth’s 2025 National Packaging Target of 70 percent of plastic packaging being recycled or composted, as well as other recycled content targets.

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The facility being considered would incorporate a dedicated sorting and mechanical pre-treatment plant and an advanced chemical recycling plant to convert waste plastic into plastic pyrolysis oil (PPO), a feedstock for co-processing at Viva Energy’s Geelong Refinery. The recycled resin manufactured through this process at the adjacent polymers plant would have identical properties to virgin resin, opening the potential for food manufacturers to use recycled packaging. Viva Energy operates the last plastic resin manufacturing plant in Australia located at Geelong Refinery, following Qenos’ announcement of the closure of both its manufacturing sites at Altona and Botany.

This project could provide an important solution for food manufacturers and packaging specialists to meet their obligations under the Australian government’s new packaging regulatory scheme which is slated to be in place by the end of 2025.

We have recently finished the pre-feasibility stage and announced that we have moved to feasibility stage with the objective to deliver a 50,000 tonnes per annum soft plastics recycling plant by 2030.

3 Support needed from Government

From the work done to date and the experience of similar advanced facilities developed overseas, we are confident in the technical aspects of the project outlined above. For Cleanaway and Viva Energy to consider the significant investment will require a robust regulatory environment that provides a sustainable, commercial platform for circularity in soft plastics, notably:

- a well-designed, mandatory product-stewardship scheme for soft plastics to ensure the economic viability of their collection, recovery and circular reuse;
- packaging reform with improved design to increase recyclability and minimum Australian recycled content obligations; and
- mass balance, free attribution using an international recognised system to track the circularity of the recycled material through the supply chain and, once transformed, through the Geelong refinery, attribute these circular materials to the polypropylene that produces the recycled plastic resin.

We strongly believe the reforms being considered by the Commonwealth will minimise packaging waste, boost recycled content and allow us to build on the existing manufacturing technology and skills we have in the country. The soft plastics recycling solution we are proposing is a significant project and will require support from governments, industry, stakeholders and customers to come to life. The absence of regulation, including schemes that are voluntary, presents a key risk to the project not becoming a reality.

4 Specific comments on the proposed scheme in the Application

- We welcome the creation of an industry funded product stewardship scheme that takes responsibility and encourages a full circularity solution for the soft plastics packaging placed in the market in Australia. Mandatory membership will be important with any scheme to avoid the issue of free-riders and also to ensure adequate funding to support the scheme.
- The financial viability of soft plastics recycling requires an extended producer responsibility (EPR) scheme that closes the financial gaps right along the chain from collection, sorting and recycling soft plastics back into packaging. To deliver the project we have outlined in this paper will require significant capital investment which will only be commercially viable once these gaps are underpinned through EPR service payments.
- The operational costs of between \$2000-2500 per tonne of collected soft plastic are broadly in line with the financial gaps that we have identified that would need to cover collection, sorting and recycling of the soft plastics.
- As the Commonwealth is considering an EPR as part of their reforms, this initial scheme could provide some useful learnings in the development of the Commonwealth scheme and we would be advocating that the Commonwealth-regulated scheme would replace this scheme in time.
- The intended end use of the recycled plastic needs to be visible and verifiable. We remain concerned about the view in the market that we will be the off-takers to any number of proposed plastic pyrolysis plants. As we have outlined above, the protection of the Geelong refinery as a critical asset for Australia's fuel and national security is paramount so the product quality of any PPO used needs to be assured. We currently have an exclusivity agreement with Cleanaway to develop our project, so the ACCC and any scheme design needs to be cautious about claims that our refinery will be an off-taker from other industries.
- The scheme should also recognise recycled polymers that are produced by overseas refineries but utilising PPO generated in Australia
- The collection of plastics needs to align carefully with the industry's capacity to recycle. Our project proposes to phase capacity in line with the proposed mandatory recycled content aims of the Commonwealth packaging reform and also alongside the ability for the effective collection of soft plastics.

5 Conclusion

Viva Energy welcomes further engagement on these matters in support of our work to develop large-scale co-processing and chemical recycling project and to solidify the support that would help enable this vitality important project to proceed. The opportunity to work collaboratively with governments, industry, stakeholders and customers could deliver the long term regulatory and investment environment required to underpin this nationally significant project.

We trust this submission is of value and welcome any ongoing opportunities to provide feedback or participate. Please contact me in the first instance on 0404 479 272 or at Edwina.Pribyl@vivaenergy.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'EPribyl', with a stylized flourish extending to the right.

Edwina Pribyl
Head of External Communications
Viva Energy Australia