



Steel risk without green push, says Fortescue

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Byline: Tom Rabe

Body

Andrew Forrest's **Fortescue** has warned Australia risks losing its place in the global steel supply chain to Africa, Brazil and Europe without government and industry ramping up efforts to develop a green iron plan for the resource-rich Pilbara.

Western Australia's low- to medium-grade iron ore is facing increased competition from higher grades overseas, and the country has little chance of replacing revenue lost to those developing markets, **Fortescue** said in a submission to the Senate inquiry into the Albanese government's Future Made in Australia policy.

"**Fortescue** is concerned that without the Australian government, WA government and industry uniting to develop a focused and funded green iron plan for the Pilbara, the nation runs the risk of losing its long-established and high earning place in the global steel supply chain," the submission said.

Fortescue said the Pilbara must transition from low-grade haematite production to high grade green iron production with the help of widespread government investment.

"Pilbara iron ore is facing increased competition from higher-grade ores in Africa, Brazil and Europe, and green metals processing locations being established in the Middle East," it said.

The mining giant's submission also urged the federal government to tread carefully in developing its national interest, given the importance of Chinese investment. "We encourage the Australian government to find the right balance regarding national interest considerations and continuing to support foreign investment and trade where it brings significant economic and emissions reductions opportunities to Australia," the submission said.

A key hurdle to a viable green iron industry in WA is access to renewable energy infrastructure, WA Chamber of Minerals and Energy chief executive Rebecca Tomkinson said.

"We need governments to be making bold decisions, big investment decisions now," she added.

"We don't do an energy transition, and we don't decarbonise and address our scope three emissions in our industry without there being a co-ordinated effort across state, federal governments making big infrastructure investments."

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Ms Tomkinson said the government needed to invest in major common-user infrastructure that would benefit a variety of industries.

"Without affordable energy, cheap decarbonised energy, we can't do any of it," she said of the green iron push.

Asked about **Fortescue**'s push for more federal assistance to promote green iron in WA, Premier Roger Cook said: "WA is best-positioned to support a low-carbon steel project given our vast reserves of iron ore, mature and advanced iron ore industry, local technological know-how, and significant renewable energy opportunities.

"Further opportunities to reduce emissions across the steel-making supply chain are applicable if plants can be located near renewable energy precincts." Mr Cook said in May he wanted WA to become the "California of Australia," using magnetite and renewable energy to create a green iron future.

A key pillar of Anthony Albanese's re-election pitch to voters, the Future Made in Australia Act, proposes the use of government grants, loans and investments to encourage advanced manufacturing and green energy.

The Senate committee received scores of submissions from the private sector, with miners including BHP and **Fortescue** both warning against duplication of government approvals processes.

While broadly supporting the policy, the **Fortescue** submission said the government could use it to create more policies that would better help develop a green iron industry. A government discussion paper estimated that the sector could be worth up to \$120 billion.

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