

BlueScope receives funding for lower emissions project

BY RACHEL ALEMBAKIS | THURSDAY, 1 FEB 2024 2:30PM

BlueScope Steel and LIBERTY Steel Australia have received a combined total of \$200 million in grant funding from the federal government for projects that will lower emissions in steel production.

The funding is drawn from the government's Powering the Regions Fund and will go towards projects in New South Wales and South Australia.

BlueScope has been awarded \$136.8 million towards the reline and upgrade of its No. 6 Blast Furnace at the Port Kembla Steelworks. This project will maintain domestic production, reduce emissions, and support pathways to producing even lower-emissions steel in the future. LIBERTY has been awarded \$63.2 million towards the purchase and commission of a low carbon electric arc furnace (EAF) to replace the existing traditional blast furnace at the Whyalla Steelworks. The ESF will "support the manufacturing of green steel and help achieve LIBERTY's aim of carbon neutrality by 2030."

These first two grants from the PRF come through its Critical Inputs to Clean Energy Industries program, which supports hard-to-abate sectors like steel.

"This \$200 million investment in the steel sector is about securing the long-term future of the steel industry in Australia," said Minister for Climate Change and Energy Chris Bowen. "As we undergo the transformation to Net Zero it is vital that we support our industries to adopt and manufacture cleaner technologies."

"Steel is essential for our energy transformation. 90% of the materials that go into making a wind turbine are steel and cement, and we're going to need a lot more of it."

"Total steel demand for the energy transformation from 2022 to 2050 will be almost 5 billion tonnes, accounting for 75% of the total material requirement - and that steel will increasingly be green steel."

"We want to make sure products vital to our economic future like green steel are made in Australia, but this will require innovation and new ways of processing iron ore that decarbonise our steel industry."

The Climate Capital Forum - an independent body pushing to make Australia a renewable energy and critical minerals superpower - said the allocation was "an important area of focus," but said that much stronger incentives are needed "to reduce - not support new - fossil fuel powered production."

"Today's announcement acknowledges the strategic importance of supporting trade-exposed industries as the Safeguard Mechanism progressively ratchets up decarbonisation ambition in heavy industry," the Climate Capital Forum said.

"This shows an understanding of the need to invest in preparation for rapidly changing technologies and decarbonisation trends in the global economy. But more ambitious and

targeted incentives are needed here to accelerate the pivot away from high-carbon intensity steel production. Taxpayer support for a new blast furnace does not achieve this."

The Climate Capital Forum features a network of investors, decarbonising businesses, philanthropists and climate finance experts.

"There is no time left for federal government support for anything except strategies to fully decarbonise as global demand for net-zero materials grows exponentially," said Climate Capital Forum founder Blair Palese.

We can't keep doing more of the same."

"Australians need to see government and industry working together on decarbonising strategies that are in the best interests of the country. Despite some great government initiatives to do that, we need a clearer vision to build our net zero economy and address our changing climate."

The Albanese government has also committed \$200 million in grant funding for the hard-to-abate cement and lime and alumina and aluminium sectors, with successful projects to be announced in the coming months.

<https://www.fssustainability.com.au/bluescope-receives-funding-for-lower-emissions-project>