

# The Canberra Times

## Australia Risks Missing \$250b Green Iron Opportunity

Jennifer Dudley-Nicholson, 13 August 2024



**Transforming Australia's iron industry using renewables could double export revenue, a report shows.**

Australia has a "once-in-a-century opportunity" to lead the world's green iron industry but could miss it if governments, mining firms and investors fail to take urgent action, a study has found.

The 78-page report, released on Tuesday by independent think tank Climate Energy Finance, analysed the nation's potential to transform its iron industry using renewable energy and found it could double export revenue to \$250 billion a year.

But it also found only two per cent of electricity used in Western Australia's Pilbara region came from renewable sources and warned Australia could lose the opportunity to other countries if it delayed reforms.

The study comes months after mining and energy firms announced a pilot project to investigate green steel production, and after the federal government launched a public consultation into green metal exports.



**Green iron is Australia's number one emerging export opportunity, the report states.**

The Superpowering-Up report found Australia had the potential to dominate the emerging green iron market thanks to its strong iron ore exports and access to renewable energy opportunities.

It warned Australia risked "forgoing this once-in-a-century opportunity" if it failed to make more renewable energy available to mining projects in the Pilbara, and to incentivise the production of green metals.

"The only future-facing industry sector in which China does not yet lead is green iron and steel," the report said.

"Green iron is Australia's number one emerging export opportunity."

Report co-author and Climate Energy Finance director Tim Buckley said Australia had the potential to boost its iron exports while significantly reducing greenhouse gas emissions.

"The opportunities for Western Australia to lead and accelerate the development of a green steel global supply chain are huge," he said.

"But the current two per cent renewables grid shows Australia is lagging, stuck in the dig-and-ship mentality of the last century."

Major mining firms currently used 2.4 billion litres of diesel fuel in their Pilbara operations, the report found, which would need to be replaced by 16.66 terawatt hours of renewable energy.



**Rio Tinto, BHP and BlueScope Steel are investigating the viability of green steel production.**

Its 16 recommendations to address the change include electricity grid upgrades to allow access to more renewable energy, the introduction of "overriding public interest" principles to expedite green power project approvals, and consultation with First Nations people.

The report also called on the federal government to introduce a \$10 billion green iron tax incentive scheme, place caps on its Fuel Tax Credit Scheme, and work with the WA government to identify priority projects.

Former chief scientist Alan Finkel, who wrote the report's foreword, said Australia's opportunity to become a green energy superpower hinged on decarbonising its mining exports, which would also protect the nation's future earnings.

"The consequences of acting too slowly or inefficiently will be severe," he said.

"The international competition will be fierce."

Energy and mining firms Rio Tinto, BHP and BlueScope Steel launched a pilot project to investigate green steel production in February, while Fortescue is planning to produce green iron from its Christmas Creek site by the end of 2025.

The federal government also held a public consultation into the production of green metals in Australia, with submissions closing in July.

*Australian Associated Press*

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