

Slow Approvals are Risking the Next Mining Boom: Report

Tom Rabe, 13 August 2024



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Environmental approval processes are obstructing critical renewable energy infrastructure needed to develop a lucrative green steel industry in Western Australia's resource-rich Pilbara, experts warn.

A Climate Energy Finance report estimates Australia has the potential to double its iron export value to \$250 billion by producing green iron, but not if it loses out to international competitors because governments and industry fail to develop the sector.

Former Australian chief scientist Alan Finkel said the country's regulatory systems were "too complex, unbalanced and slow", with environmental approvals potentially obstructing critical renewable energy infrastructure.

"The consequences of acting too slowly or inefficiently will be severe ... This is a major risk to Australia's economic security," Dr Finkel said.

Key recommendations in the report include following Europe's lead and introducing "overriding public interest principles" into environmental approvals processes to expedite renewable energy infrastructure critical to the development of a green steel industry in WA's north-west.

The report singles out green steel as Australia's number one emerging export opportunity, though Dr Finkel warned Brazil and South Africa could swoop in to replace Australia in supplying the world with low-emission iron ore.

"If we follow a business-as-usual trajectory ... we will suffer from a decline in our mineral resources exports at the same time that our fossil fuel exports start a slow, but terminal decline," Dr Finkel said in the report's foreword.



Climate Energy Finance director Tim Buckley.

A common-user infrastructure grid for renewable energy was the single biggest challenge facing the industry in the state's north-west, says the report, arguing it is the key to decarbonising the region and laying the foundation for a green steel industry.

"Australia has the potential and scale to dominate in green iron, but absent timely action on energy supply decarbonisation in the Pilbara underpinned by common-user infrastructure, we risk forgoing this once-in-a-century opportunity," the report says.

Report co-author and Climate Energy Finance founder and director Tim Buckley said state and federal environmental approvals processes were currently the "Achilles' heel" of the decarbonisation strategy.

"We are talking about tens, if not hundreds, of billions of dollars of investment, if we stick with the old approval system where the community has the right to object and take it to court ... Australia is going to lose the global race to decarbonisation," Mr Buckley said.

"The overriding public interest is to say there is no economy and there is no biodiversity on a dead planet."

Mr Buckley said the federal government should consider capping its fuel tax credit scheme, which is used by major miners to subsidise the cost of diesel they consume.

The government should take the additional cash raised by scrapping the tax credit and reinvest it in a fund that incentivises big mining companies to electrify their extraction and transportation processes, the report recommended.

"It's about trying to remove the headwind and make it a tailwind," Mr Buckley said, adding that the Pilbara currently only sourced 2 per cent of its energy from renewable sources.

Fortescue mining chief Dino Otranto last week said the iron ore industry only had to look at WA's nickel sector to understand the implications of "missing the boat" to international competitors.

Premier Roger Cook has pointed to the green steel industry as WA's next major resource opportunity, saying he wants the state to become the "California of Australia".

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