

MINERALS RESOURCES INSTITUTE —  
*WESTERN AUSTRALIAN GREEN STEEL OPPORTUNITY REPORT*

*Statement by Minister for Mines and Petroleum*

**MR W.J. JOHNSTON (Cannington — Minister for Mines and Petroleum)** [9.10 am]: I inform the house of an important report released by the Minerals Resources Institute of Western Australia titled *Western Australian green steel opportunity report*, which delivers on a 2021 election commitment to assess viable pathways to reduce emissions from the steelmaking process. The iron ore industry is the state's largest and most important industry, providing direct and indirect economic and social contributions that are greater than any other industry to the state. More than seven per cent of global carbon emissions are related to the steel industry; therefore, steelmakers are focused on the development of green steel technology and accessing better quality iron ore feedstock to reduce emissions from the steelmaking process. Future low-emission steelmaking will demand a mixture of the different iron ore types and grades that we have here in Western Australia. Alongside our variety of renewable energy solutions, we are well positioned to supply new iron feedstock products into the market in addition to our existing exports.

A scenario explored in the report was the development of a small-scale, 4.8 million tonnes per annum, vertically integrated magnetite hot briquetted iron plant in the Pilbara. A facility of this type is estimated to generate taxation benefits in the order of \$31.7 billion to Australians during construction and operations through to 2050, or \$1.1 billion per annum. The 4.8 million tonnes per annum plant would increase employment in the Western Australian iron ore sector by 1 700 full-time employees.

Western Australia accounts for 38 per cent of the global supply of seaborne iron ore and is the leading Australian state in iron ore production—934 million tonnes in 2022, according to the Australian government's Office of the Chief Economist. Comparatively, South Australia produced 5.7 million tonnes and Tasmania, 2.6 million tonnes of iron ore, respectively. Brazil, our major competitor, accounted for only 17 per cent of global supply. Western Australia accounts for over half of all mining industry workers in Australia, with 79 265 directly employed in the state's iron ore sector. For this reason, we must understand the future market dynamics of the steel industry to ensure forward planning and how to ensure the longevity of the iron ore industry in Western Australia.

There is expected to be a robust demand for steel and subsequently iron ore well into the middle of the century. This report is timely to help us understand the low-emission green steel value chain, starting with the iron ores here in Western Australia, which will help us respond to the changing steel markets. The report is in line with a number of state government initiatives, such as Diversify WA, Western Australian climate policy, the energy transformation strategy and the sectoral emissions reduction strategy.