

# Australian Greens Additional Comments

1.1 The economic and environmental sustainability of steelworks is essential to its long-term survival in Australia. Witnesses and submissions to the inquiry documented the many challenges facing the steel industry.

1.2 One such challenge, which has also been reported in the media, is the high cost of energy.<sup>1</sup> BlueScope Steel forecasted its electricity costs will increase 93 per cent over the two years to 2017/18, with gas costs rising 33 per cent over that period.<sup>2</sup>

1.3 The committee has recommended that the Australian Government develop a solution to high energy costs and secure supply for steel manufacturers.<sup>3</sup> The Australian Greens endorse that recommendation but further recommend co-generation be investigated to increase both environmental and economic sustainability. It should be noted that BlueScope Steel had plans to build a co-generation plant in Port Kembla but in 2009 it was reported those plans were abandoned due to the uncertainty of the costs associated with the emissions reduction scheme and the impacts of the financial crisis.<sup>4</sup>

## Recommendation 1

**1.4 The Australian Government should investigate how it can support steel plants implement co-generation to increase the economic and environmental sustainability of their operations.**

Senator Peter Whish-Wilson

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1 Chair's report, Chapter 2, p. 20.

2 Matt Chambers, 'BlueScope chief Paul O'Malley calls for 10-year energy transition plan', *The Australian*, 11 October 2017, <http://www.theaustralian.com.au/business/companies/bluescope-chief-paul-omalley-calls-for-10year-energy-transition-plan/news-story/b5d784f1a97d363b2a6daa4813664c20> (accessed 30 November 2017).

3 Chair's report, Chapter 2, p. 24, Recommendation 1.

4 Jamie Freed and Barry FitzGerald, 'BlueScope scraps plans for cleaner, greener power plant', *Sydney Morning Herald*, 6 May 2009, <http://www.smh.com.au/business/bluescope-scraps-plans-for-cleaner-greener-power-plant-20090505-au0y.html> (accessed 30 November 2017).

