LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Decommissioning Oil and Gas Infrastructure

Melbourne – Wednesday 10 December 2025

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WITNESS

Jerusha Beresford, Sustainability Adviser, Australian Steel Institute.

The CHAIR: Welcome back to the Legislative Council Environment and Planning Committee's Inquiry into Decommissioning Oil and Gas Infrastructure here in Victoria. We are joined by the witness from the Australian Steel Institute.

I will just begin with our usual opening statement that all the evidence we take is protected by parliamentary privilege as provided by the *Constitution Act 1975* and the provisions of the Legislative Council standing orders. Therefore the information that witnesses provide during the hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of the Parliament.

All evidence is being recorded, you will be provided with a proof version of the transcript following the hearing and transcripts will ultimately be made public and posted on the committee's website.

Welcome; my name is Ryan Batchelor. I am the Chair of the Environment and Planning Committee and Member for the Southern Metropolitan Region. I will ask members of the committee to introduce themselves, starting with Gaelle.

Gaelle BROAD: Good afternoon. I am Gaelle Broad, Member for Northern Victoria.

Melina BATH: Good afternoon. Melina Bath, Eastern Victoria.

Wendy LOVELL: Wendy Lovell, Northern Victoria.

Tom McINTOSH: Tom McIntosh, Eastern Victoria.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria.

The CHAIR: If you could state your full name and the organisation you are appearing on behalf of for the Hansard record, please.

Jerusha BERESFORD: Jerusha Beresford, the Australian Steel Institute.

The CHAIR: Wonderful. We will hand over to you to make an opening statement. I believe you have got some slides, so let us see if the magic of the technology works and you can share them with us.

Jerusha BERESFORD: Thank you for inviting us to this public hearing. I thought I would just give a quick summary of what was already submitted in our submission.

Visual presentation.

Jerusha BERESFORD: So a little bit about the ASI. The Australian Steel Institute is the nation's peak body representing the entire Australian steel supply chain, so that is from the steel manufacturing mills right through fabrication to end users of steel in building and construction. We are a membership organisation, with our founding members being the three main steel producers in Australia: BlueScope, InfraBuild and Liberty, which is now called OneSteel Manufacturing. The main purpose and premise of our submission to this inquiry is we are strongly recommending that the scrap steel that is recovered from the decommissioning of the Bass Strait oil and gas infrastructure is recognised by this committee as a valuable national resource and that it be prioritised for local recycling into domestic steel manufacturing and not exported. Just a quick summary of the scale of the scrap steel that is coming out of this infrastructure. We believe that in the first tranche of this decommissioning, there is 60,000 tonnes of high-grade steel coming out of the first 12 retired platforms, with much more coming out over the coming years, so it is a great opportunity to seize this steel for local use.

Now just a little bit to give you a picture on the Australian steel industry and where scrap feeds into our industry. The industry consists of three primary steel producers – being BlueScope, InfraBuild and OneSteel Manufacturing – over four manufacturing locations, and you can see that on the table there. The tonnage that

they produce per annum is also listed there. The InfraBuild manufacturing mill in Laverton would be most interested in the scrap coming out of this project and they have capacity to receive that scrap. We produce on average about 6 million tonnes of steel per annum across all of those manufacturing locations, just to give you some type of scale. We also employ 100,000 people across the industry and we generate about $30 billion in annual revenue.

A little bit about the scrap market as it is at the moment. Scrap metal in Australia is either baled and exported in an unprocessed form, so it is sold to overseas processors, or it is domestically recycled here into furnace-ready materials to put into our steelmaking furnaces. The NWRIC reports that about a million tonnes of unprocessed scrap metal is actually being exported annually at the moment. They did report that in FY21 Australia actually imported about 100,000 tonnes of scrap metal for our steel manufacturing. Scrap is really a finite resource because steel has such a long life cycle. In buildings it is typically about 40 years until that building will come down and be scrapped. Obviously white goods, there is a shorter life cycle there, but really it is a finite resource, with high demand across the whole world for steel manufacturing. So the demand for this scrap for our local manufacturing is also going to increase just because of the demand in steel infrastructure. ASI estimates that the demand for local process scrap will increase to about 500,000 million tonnes per annum over the short term, and in the long term up to 2.5 million tonnes per annum. And we know that other regions are adjusting or have adjusted policy to retain their own scrap as their local resource because they see the value in it.

So the key benefits; we just want to outline those. These are in our submission, but the key benefits in retaining the scrap steel for local use – scrap steel is really an essential raw material for our steelmakers to meet their manufacturing capacity. We have got a lot of renewable infrastructure projects coming in that use a lot of steel, and the demand for steel is just going on the up. The way that steel is currently manufactured, it does use scrap. There are two divergent steel manufacturing routes within Australia, the EAF and the blast furnace. Both routes actually do use scrap. The EAF uses more like 90 per cent, whereas the blast furnace, BOF, uses between 20 and 25 per cent, and that will increase over time as well. So really it is an essential process to keep the steel manufacturing industry going in Australia. It is also crucial in meeting Australia's capability to manufacture low-emission steel products. That brings us to the next point here about how retaining scrap for local use lowers our industry emissions. Scrap use lowers the carbon intensity of steelmaking by reducing the reliance on primary resources like iron and coal, and in other ways as well. It is also, obviously, a very recoverable waste resource, with a 90 per cent recovery rate. If it is done properly and we retain this scrap and use it as a material input for new steel, obviously this is a great way for Australia to be able to participate in the circular economy.

Then thirdly, the NWRIC also reported that for every 10,000 tonnes of unprocessed steel scrap that is processed domestically, 37.2 local jobs are created, generating $4.8 million in economic value-add. In their analysis it came out that it was actually more economically beneficial to have the scrap locally processed here versus exporting and selling the exports. Then lastly, of course it just ensures that our waste obligations are met. So local processing, there is regulation around this that ensures that if the scrap is locally processed then it will be done in an environmentally sustainable way when removing contaminants and things like that. Thank you.

The CHAIR: Thank you. We will just go into questions, and I will kick off. You make a compelling case as to the benefits and the feasibility of using large amounts of steel coming out of the decommissioning by recycling it in an Australian context. What do you think would prevent that from happening? What do you think the barriers would be to the sensible and logical case that you outline in your presentation from becoming reality?

Jerusha BERESFORD: Unfortunately, the past has showed that sometimes scrap is exported, (1) because I guess it is perceived to be an easier way to get rid of the waste and (2) the contractor gets paid for it. So it is more the contractor that benefits, not the whole industry.

The CHAIR: Which contractor?

Jerusha BERESFORD: Sorry. The owner of the infrastructure, for example – of the gas and oil infrastructure – might choose to export the scrap steel for monetary benefit rather than retaining it.

The CHAIR: Right. And what are some of the things that you think the committee could recommend to government that would assist in tipping the balance in favour of recycling into the domestic industry?

Jerusha BERESFORD: I guess, obviously, regulation and policy in this place. We have already got regulation, federal legislation for plastics and things like that, and we are advocating for this at the federal level as well but also at the state level, so any regulation or policy around regulating the export of waste which is actually a valuable resource.

The CHAIR: Do you think that would be in a broader piece of regulation or do you think it would be part of any of the conditions for approvals that might apply to the grants of permits that exist from the particular regulatory arrangements governing the decommissioning of the oil and gas infrastructure? Do you know what I mean? There are general rules with a general application. Or do you think it should occur in specific conditions that might apply to licences under the oil and gas regulations?

Jerusha BERESFORD: I guess I am not really in a position to answer that. I am not really aware of the full process.

The CHAIR: Okay. You mentioned briefly at the start, in the presentation, industry readiness as the steel starts to come off the rigs that are being decommissioned. How ready is the industry to accept the product, the by-product or the recycled product?

Jerusha BERESFORD: InfraBuild owns that Laverton recycling mill. We have consulted with them. They are one of our founding members. They said from a quick analysis that they could take that steel, provided it was processed in a certain way.

The CHAIR: What would it represent in terms of a sense of scale? How much product are we talking about coming off these pipelines and rigs as a proportion of what might be going into these plants normally?

Jerusha BERESFORD: In the submission I have only used the public information of what is coming out of those rigs. It says in the first tranche 60,000 tonnes of steel will come out. So if you look at that from a scale perspective, Laverton are manufacturing – I want to get it right –

The CHAIR: Was it 0.7 million tonnes?

Jerusha BERESFORD: Yes, that is correct – 0.7 million tonnes – and 90 per cent of the feedstock is scrap metal. Does that answer your question in terms of scale?

The CHAIR: I think so. Ms Bath.

Melina BATH: I feel like this is a very big topic and we are probably only going to scratch the surface of it. In terms of the circular economy, have you done any investigations into the carbon footprint – or anecdotal research – of the exportation of steel overseas versus retaining it in the country, or a state, to process? That is one question. I have been a bit formal about saying this is not about federal legislation, but I am just wondering – that was my first question.

My second one is around: do federal government grants – because I do not think we have many state government ones – need to be mindful, in dealing with the oil and gas industry and the steel industry, about the overall reduction of carbon footprints and emissions rather than getting hung up on 'Is this a renewable?', so looking at the overall reduction of emissions? Was I making sense?

Jerusha BERESFORD: Yes, you made sense. To answer your first question, yes, there was an analysis done on comparing GHG emissions attributed to retaining the stock here and processing it versus transporting it overseas. That report is pointed to in our submission. It was done by the National Waste and Recycling Industry Council, but I have got it here, and they basically said that based on their modelling, the level of transport CO_2 emissions savings from an export ban on unprocessed scrap metal would be about 81,000 tonnes of CO_2 global emissions. That is probably based on that figure of about a million thousand tonnes being exported annually.

Melina BATH: Thank you. And I guess the second part of my question or feeds into my second question: if we want to try and achieve staying in Australia, how can grants, legislation or focus incentivisation be tweaked? That was the basis of my second question.

Jerusha BERESFORD: Yes. Look, that is a very big question. It is a good question. I have just got to think about how I best answer it. The whole steel industry globally is very focused on reducing emissions. I guess

because of the divergent technological ways of making steel, there are different trajectories of how they can decarbonise based on a number of things. In Australia, even, there are two main manufacturing routes, and they both have very different decarbonisation trajectories. Federal regulation or policy at that level about reducing emissions, I mean, yes, that is important, but I guess I would express caution in putting any, I guess, benchmarks or minimum standards to meet or anything like that because they are kind of already moving as fast as they can with (1) scrap availability, (2) green hydrogen availability, and things like that. So the government is helping with green hydrogen. That is definitely one way to push forward the industry, more funding in that area, 100 per cent. But scrap is another big one, and that is why we are really pushing this, because for both steel production routes, scrap is really important in decarbonising steelmaking. It reduces the carbon emission intensity, the more scrap you put in. But there is just not enough scrap available for our steel manufacturers.

Melina BATH: Thank you.

The CHAIR: Dr Mansfield.

Sarah MANSFIELD: Thank you. Thank you for appearing today. Do you have a sense of the economic value per tonne of offshore materials that Victoria could recover? It is a similar question to the one before, just about the quantum, but I guess just in terms of economic value: do you have a sense of that?

Jerusha BERESFORD: As in the economic value of the amount being exported?

Sarah MANSFIELD: Potentially, yes. Or how much could potentially be recovered? How much is still there that could be recovered?

Jerusha BERESFORD: I do give that figure in here. In that same report they have stated that for every 10,000 tonnes of unprocessed scrap steel that is processed domestically and not exported, that is generating $4.8 million in economic value-add. By contrast, if the scrap metal was exported, the businesses are creating a value of $1.3 million. That is the difference.

Sarah MANSFIELD: So it is quite a lot more to keep it here.

Jerusha BERESFORD: Yes.

Sarah MANSFIELD: And we have heard different views about the pros and cons of leaving infrastructure there versus removing it all completely. Would a policy that favours complete removal and bringing onshore for recycling assist with creating some certainty for industry to be able to start investing in local capability?

Jerusha BERESFORD: I know from a circular economy standpoint you want to keep structures up for as long as possible, but I guess if they have come to the end of life and you have to dismantle them, then the answer would be yes, that would help.

Sarah MANSFIELD: What are the sorts of jobs that could be created if we did invest more in recycled steel capacity locally?

Jerusha BERESFORD: That is a good question. Can I take that question on notice?

Sarah MANSFIELD: Sure. You indicated earlier that there is a lot of demand for recycled steel locally or scrap metal locally. What are the sorts of things that the government could potentially do to increase that local capacity to help meet some of that demand, at a state government level?

Jerusha BERESFORD: At the state government level, any way that you can regulate the exportation of the scrap metal, because it is being exported and because there is no regulation around it.

Sarah MANSFIELD: Thank you.

The CHAIR: Thank you. Mr McIntosh.

Tom McINTOSH: Yes, it is really valuable you joining us this afternoon. Thank you. I think a key point is that there is not enough scrap metal at the moment, so it is an opportunity for industry to expand. If we are

talking, I think we said, about 0.7 million tonnes at Laverton, for example – and the proposed volumes that we have got coming out are just massive – would industry have a willingness or be likely to invest in their own infrastructure, in processing more jobs and in more economic activity in Victoria? As we are talking about this being a 10- or 20-year pipeline of decommissioning, and knowing that supply is coming, is that something that industry would likely do?

Jerusha BERESFORD: I would not be able to answer that from InfraBuild's perspective. I am happy to take that question on notice, and they can answer it directly, but I do know they are already planning to hit 1 million tonnes per annum just because of demand anyway. So the demand I guess is already there in terms of the future pipeline; they just need to secure scrap to be able to fill that demand.

Tom McINTOSH: Sorry, that is a question I should have asked too.

Jerusha BERESFORD: Yes.

Tom McINTOSH: Just to come back to that export, the value of the steel as the export as it is, as scrap, versus perhaps what is being paid locally here in Australia: what is the incentive for companies to export the scrap?

Jerusha BERESFORD: It is a global market, and they might get paid more for it. I mean, it will fluctuate, but at certain times they might get paid more to export it.

Tom McINTOSH: Okay. All right, thanks very much for attending. It is very good food for thought. Thank you.

The CHAIR: Ms Lovell.

Wendy LOVELL: Thanks very much. I was just wondering if recycled steel retains its strength and integrity or is it that every time it is recycled it loses some quality and strength?

Jerusha BERESFORD: Great question. It can be infinitely recycled. All finished steel products do have some form of recycled content in them. It does not matter how –

Wendy LOVELL: What about steel that has some corrosion in it? I grew up at the beach in Williamstown, and for those families who lived close to the water or whose cars were parked at the beach all the time there was always a big focus on maintenance and washing of cars so that you did not get corrosion in your cars. I certainly remember, growing up in the 1970s, lots of cars with corrosion in them, and it was always thought to be because of the harsh elements of the sea air. I just wondered, because all of this steel will have been either submerged or exposed to sea elements, whether that has any effect on it.

Jerusha BERESFORD: It is a great question, and I am sure it does. I do not have the technical knowledge in recycling to answer that directly, but I do know that InfraBuild, as I said, got their person to look into this steel, and they said that they could accept it provided there was appropriate treatment. If they can accept the steel coming out of those rigs, then I think that is okay.

Wendy LOVELL: Terrific. Thank you.

The CHAIR: Mrs Broad.

Gaelle BROAD: Thank you very much for your contribution. I was reading an article in the *Conversation*, and it was on this issue, in September last year. It says:

> Where do we stash the equivalent of 110 Sydney harbour bridges?

It is talking about the need to remove or decommission these facilities, but it does go on to say that Australia needs a new multi-billion-dollar demolition and recycling industry, and as such no facility exists at the moment. What are your insights into that?

Jerusha BERESFORD: For steel specifically, or is this just building and construction waste?

Gaelle BROAD: Well, I guess you are speaking for the steel industry, so I am happy for you to share your perspective.

Jerusha BERESFORD: The way that steel is recycled is that a steel recycler will take it and process it and then give it to the steel mill. They will get it into a form that the steel mill can use, so I do not see any issue with –

Gaelle BROAD: So it is functional as it stands. You feel that the facilities are there, it is just the materials –

Jerusha BERESFORD: Yes. There are three main recycling facilities for steel. Perhaps I would need to check capacities. So you are saying that if there is so much steel being decommissioned at once, would we have capacity to deal with that?

Gaelle BROAD: Well, I guess this is talking a 30-year timeframe –

Jerusha BERESFORD: Over time.

Gaelle BROAD: Yes, and some within the next decade, and that is Australia-wide, but –

Jerusha BERESFORD: Look, it is a good question. I would probably have to look into that in more detail to answer it more directly.

Gaelle BROAD: Is my time already up?

The CHAIR: I did not reset, so you have got a bit longer.

Gaelle BROAD: Thank you. Has there been steel recycled from decommissioned facilities to date?

Jerusha BERESFORD: Yes, of course. It is business as usual for us. When steel comes out of buildings or from whitegoods or wherever, it all goes to the scrap recycler and then the steel manufacturers will purchase that scrap from the recycler.

Gaelle BROAD: But as far as facilities like oil and gas facilities that have been decommissioned, are you aware –

Jerusha BERESFORD: Oil and gas – again, I will have to take that question on notice, sorry.

Gaelle BROAD: That is fine. In your submission you talk about the need for steel to meet construction and infrastructure demands, especially for renewable power generation infrastructure. For wind turbines, when I did a bit of research on that, it was talking about 1200 to over 2000 tonnes of steel for a turbine. Is that right? Is that what you are aware of?

Jerusha BERESFORD: What was the number again?

Gaelle BROAD: It said that 1200 to over 2000 tonnes of steel are needed for a wind turbine. Now they are building them up to 300 metres high. I am just interested if you have any figures on how much steel is actually needed, and specifically when you talk about renewable power generation infrastructure, is there anything specific you are referring to in that?

Jerusha BERESFORD: Yes. Good question. ASI did do some analysis on this, and in this analysis we found that the demand for steel for renewable infrastructure alone – so for wind towers mainly but also for solar panels and things, but they are more aluminium – is forecasted to be about 400,000 tonnes per year from now, which is probably from last year when we did the report, through to 2030. So that is 400,000 tonnes of steel per year just on renewable infrastructure alone, and that is not counting other infrastructure.

Gaelle BROAD: So that is just in Australia.

Jerusha BERESFORD: Yes, in Australia.

Gaelle BROAD: Is my time up?

The CHAIR: No, no.

Gaelle BROAD: That is fine?

The CHAIR: Yes.

Gaelle BROAD: You may have answered this previously, but is it more cost-effective for a company to sell steel for scrap in Australia as opposed to exporting it?

Jerusha BERESFORD: I believe it depends on the timing. Because scrap steel is part of a global market, its value fluctuates, so at times they could get more for exporting versus keeping it and selling it to a recycler here.

Gaelle BROAD: When it comes to wind turbines, if you look at 400,000 tonnes of steel per year for renewables, do we have that? Do we have the capacity to deliver for that demand?

Jerusha BERESFORD: Yes, I believe so, because it will – I cannot answer that question directly, sorry. I had better not. I mean –

Gaelle BROAD: You hope so.

Jerusha BERESFORD: Yes, I hope so, too. I guess just from a scale perspective, we are manufacturing about 6 million tonnes of steel a year, but that is for everything. But obviously they are ramping up to manufacture more than that over time of course, up to 2030. I do not have the figures on me now, though, but I can definitely get those to you as to what our steel manufacturers' capacities are going forward. I can definitely get those figures.

Gaelle BROAD: That would be great. Thank you so much.

The CHAIR: All right, that brings us to the conclusion of today. Thank you so much, Jerusha. That was a really interesting perspective on the issue we are grappling with here. You will be provided with a proof version of the transcript of today's hearings in about a week for you to review.

And that brings today's committee hearing to a close. Thank you.

Jerusha BERESFORD: Thank you very much, everyone.

Committee adjourned.