AUSTRALIAN STEEL INSTITUTE

7 November 2025

Submission to the Inquiry into Decommissioning Oil and Gas Infrastructure

Att: Parliament of Victoria - Legislative Council Environment and Planning Committee

Introduction

The Australian Steel Institute (ASI) is the nation's peak body representing the entire steel supply chain, from the primary steel producers through to end users in building and construction, resources, heavy engineering and manufacturing. Its membership base includes nearly 7,000 individuals that are associated with more than 700 corporate memberships. A not-for-profit member based organisation, ASI activities extend to, and promote, advocacy and support, steel excellence, standards and compliance, training, events and publications.

We thank the Parliament of Victoria - Legislative Council Environment and Planning Committee - for providing our industry with the opportunity to provide this submission for the *inquiry into decommissioning oil and gas infrastructure*.

On behalf of the Australian steel industry, ASI has been strongly advocating for Federal policy and legislation which appropriately regulates the export of unprocessed scrap steel, which commonly combines ferrous metals with used waste materials such as plastics, glass and rubber and other toxic contaminants.

Ferrous scrap is a critical raw material for use in low emissions steelmaking and is vital for the future of a sustainable Australian steel industry. Victoria's Laverton steelworks produce over 780,000 tonnes of high quality steel from 100% scrap metal and increased access to it will underpin its expansion plans to produce 1 million tonnes by 2030.

In this Victorian government inquiry, we strongly recommend the local industry recycling of the very significant volumes of local scrap metal that will result from decommissioning the ExxonMobil Australia Pty Ltd owned Bass Strait offshore oil and gas facilities for Victorian and domestic industry use. The core premise of our submission is this is scrap metal is a valuable Australian resource, which is in very high demand to support the decarbonisation of Australian steel production; and, through the first option preference of domestic recycling will ensure all best practice environmental waste management processing obligations are met whilst also supporting the sovereign capability of the Australian steel industry.

[redacted]

AUSTRALIAN STEEL INSTITUTE

Scale of steel in decommissioning activity

The decommissioning of the Bass Strait rigs consisting of 421 wells, 19 platforms, six subsea facilities and more than 800 kilometers of subsea pipeline will free up significant quantities of steel over the coming years, presenting a significant economic and environmental opportunity for Australian industry. It is anticipated that 60,000 tonnes of steel will be removed in the decommissioning of the first 12 retired platforms.

The Australian steel industry

The Australian steel industry consists of three primary steel producers, supported by over 300 steel distribution and processing sites and hundreds of manufacturing, fabrication and engineering companies.

Australia produces around 6 million tonnes of steel per annum across four major manufacturing locations. Our industry employs over 100,000 people and generates $30 billion in annual revenue and is associated with a disproportionally large share of skilled jobs in regional and rural areas.

Key benefits for Australian Industry

The successful local retention of end-of-life scrap steel from the decommissioning of the Bass Strait oil and gas facilities for use by the Australian steel industry deliver the following key benefits:

- **Meets supply demand for crucial manufacturing resource - recyclable steel**

Decommissioned oil and gas structures are predominantly composed of high-grade steel that can be processed and recycled to supply the domestic steel manufacturing mills to input into steelmaking. Unprocessed scrap metal, such as steel platforms, structural steel, pipe and tube, is processed by steel recycling contractors and is transported to our steel manufacturing facilities for further processing.

Processed steel scrap is a critical raw resource input for both existing steel production processes in Australia. Primary steelmaking (Blast Furnace – Basic Oxygen Furnace) currently uses 20-25 percent of scrap steel and secondary steelmaking (Electric Arc Furnace) currently uses up to 100 percent of scrap steel.

The demand for steel products for Australian construction and infrastructure, especially renewable power generation infrastructure is forecast to increase, which will in turn place pressure on domestic steel producers scrap volume needs. It is estimated that more than 400,000 tonnes of steel will be required each year through 2030 to service over 28 GW of renewable energy generation projects. Each megawatt of onshore wind requires 124 tonnes of steel, while solar installations require about 45 tonnes per MW[1].

[1] Australian Steel Institute, "Steel and the renewable energy transition", Steel Australia, 7 July 2025. Steel and the renewable energy transition - Steel Australia

ASI estimates the demand increase for local processed scrap in the next 3 years will grow by approximately 500,000 tonnes per annum and in the next 10 years this demand is estimated to increase to 2.5 million tonnes per annum through natural demand increases. This demand is anticipated to increase further due to the several proposed low carbon steelmaking facilities in Australia that will utilise scrap to reduce emissions

- **Circular Economy & Decarbonisation**

Access to increased scrap steel resources supports circular economy initiatives in manufacturing by enabling the recycling of waste materials for use as material inputs to manufacture new steel. The use of processed steel scrap in steelmaking is a key enabler to decarbonise domestic steel manufacturing processes and producing low carbon steel products. Scrap use lowers the carbon intensity of steelmaking by reducing reliance on primary iron resources. World Steel estimates on average for every tonne of scrap used for steel production, 1.5 tonnes of CO2 emissions is saved, as is the consumption of 1.4 tonnes of iron ore and 740kg of coal[2].

Australian steel producers, including BlueScope and InfraBuild rely on increased scrap use in their steelmaking GHG emissions reduction strategies.

- **Regional Jobs**

Processing decommissioned materials enhances domestic capability, encompassing dismantling, sorting, and recycling operations that in turn stimulates job creation, especially in regional areas. It can further boost service industries like logistics, port operations, and manufacturing.

For every 10,000 tonnes of unprocessed steel scrap that is processed domestically, 37.2 FTE local jobs are created, generating $4.8m in Economic Value Add[3].

- **Ensuring our environmental waste management obligations are met**

Recycling the end of life steel from the Bass strait infrastructure for local steel production will ensure that this critical resource is processed locally to maximise the economic opportunity for Victoria and secure future Victorian jobs. We should build our future towns and cities with this opportunity rather than export it.

Decommissioning and processing the end-of-life structures in Victoria also ensures that any non-ferrous scrap metal containments are removed and treated in an environmentally sustainable

[2] Worldsteel Association, "Fact Sheet – Scrap use in the steel industry", May 2021. Fact-sheet-on-scrap_2021.pdf
[3] National Waste and Recycling Industry Council, Economic and Environmental Benefits from an Australian Unprocessed Ferrous Scrap Metal Export Ban Australian Economic and Advocacy Solutions, 13 November 2023. REPORT: Economic and Environment Benefits from an Australian Unprocessed Ferrous Scrap Metal Export Ban - NWRIC - National Waste and Recycling Industry Council

manner and enables us to ensure that we meet our national and international waste management obligations.

- **Policy support**

Retaining steel scrap from the Bass Strait rigs for local manufacturing use supports existing and emerging policy, legislation and government initiatives including but not limited to;

- *Recycling and Waste Reduction Act 2020*: Section 3 reads '(b) to realise the community and economic benefits of taking responsibility for products, waste from products and waste material; (c) to develop a circular economy that maximisers the continued use of products and waste material over their life cycle and accounts for their environmental impacts';
- *ReMade in Australia Policy*: Led by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) ReMade in Australia program is set to be a certification for businesses to provide an identifiable label for products and construction projects made with recycled content within Australia. The scheme aims to give consumers confidence and pride in buying quality products that have been locally recycled and remanufactured.
- *Future Made in Australia Initiative*: Announced by the Prime Minister, 11th April 2024, the Future Made in Australia Act aims to capitalise on Australia's advantages in resources necessary for the clean energy transition, to boost local jobs, local manufacturing and the economy.
- *Green Metals Industry Initiative*: The Department of Industry, Science and Resources recognise Australia has the potential to become a world leading manufacturer of green metals – sustainability produced iron, steel and aluminum products, helping to build our economy, expand our skilled workforce and supply the needs of our trading partners. The government have committed to multi-billion-dollar investments to support this including the Green Iron Investment Fund, Green Aluminum Production Credit, Future made in Australia Innovation fund, Net Zero Fund and Green Metals Innovation Network. Whilst advances in iron ore development, large scale firmed renewable energy, and price competitive supply of natural gas and hydrogen will be important in the decarbonising metal manufacturing, so too will be the ongoing supply of scrap steel volumes.
- *National Waste Policy Action Plan*: The 2024 update to the Plan explicitly states its support for Australian's engagement with UN Sustainable Development Goal 12 – responsible consumption and production which adopts a circular economy model of sustainable management and efficient use of resources. This highlights the need to significantly increase the use of recycled content by our domestic industries.
- *National Circular Economy Framework:* Released by The Department of Climate Change, Energy, the Environment and Water 2024 the framework aims to double the circularity of our economy by 2035, targeting the safe recovery of 80% of our resources with industry and the built environments as two of the priority sectors to focus on.

AUSTRALIAN STEEL INSTITUTE

In summary, successful retention of local scrap for domestic steelmaking enables the Australian steel industry to meet the increasing domestic steel production demand, increases capability for Australian industry to participate in the circular economy and stay on track with decarbonisation strategies, increases supply of regional jobs, and supports various Federal and State policy.

Essentially, we ask this Inquiry to recognise the high volumes of valuable scrap steel, which will be recovered from the Bass Strait oil and gas platforms, is a valuable resource from Australia's energy infrastructure, and therefore which should be made available to Australian steel manufacturers. This will support our domestic sovereign steel making capability and local demand requirements, along with industry decarbonisation objectives, whilst at the same time ensuring our local and international environmental obligations in the appropriate treatment of this waste are met.

We welcome any further discussion on this matter.

Yours sincerely,

Mark Cain
Chief Executive

[redacted]