

Notice of decision

Section 2.22 and clause 20 of Schedule 1 of the *Environmental Planning and Assessment Act 1979*

Application type	Critical State Significant Infrastructure
Application number and project name	SSI-22545215 – Blast Furnace No.6 Reline
Applicant	BlueScope Steel (AIS) Pty Ltd
Consent Authority	Minister for Planning

Decision

The Minister for Planning has, under section 5.19 of the *Environmental Planning and Assessment Act 1979 (the Act)* approved the infrastructure application subject to conditions.

A copy of the infrastructure approval and conditions is available [here](#).

A copy of the Planning Secretary's assessment report is available [here](#).

Date of decision

20 September 2022

Reasons for decision

The following matters were taken into consideration in making this decision:

- the matters listed in the statutory context section of the Planning Secretary's assessment report;
- the objects of the Act;
- all information submitted to the Department during the assessment of the application;
- the findings and recommendations in the Planning Secretary's assessment report; and
- the views of the community about the project (see Attachment 1).

The findings and recommendations set out in the Planning Secretary's assessment report were accepted and adopted as the reasons for making this decision.

The key reasons for approving the application are as follows:

- the project is critical to the State for economic and employment reasons;
- it would ensure supply chain security for steel for nation building projects including significant infrastructure, defence, industrial, commercial and residential building projects;
- the project is consistent with strategic planning for the Illawarra region;
- it would invest \$789 million in the Wollongong local government area;
- it would retain 4,500 direct jobs and support a total of 10,000 jobs in the Illawarra region;
- the impacts on the community and the environment can be appropriately minimised, managed or offset to an acceptable level, in accordance with applicable NSW Government policies and standards. The project would comply with relevant environmental performance criteria for wastewater discharges and air emissions;
- the issues raised by the community during consultation and in submissions have been considered and adequately addressed through the conditions of approval; and
- weighing all relevant considerations, the project is in the public interest.

- **Attachment 1 – Consideration of Community Views**

The proponent engaged with Wollongong City Council, the Environment Protection Authority, other relevant government agencies and the community during the preparation of the environmental impact statement (EIS) as a requirement of the Secretary's environmental assessment requirements. The EIS detailed the findings of this engagement.

Once the EIS was submitted to the Department, it was placed on public exhibition from 24 March 2022 until 20 April 2022 (28 days). 445 submissions were received, including 416 in support, 21 objections and 8 comments. The majority of submissions were from residents living within 20 kilometres of the project site. The Department also consulted relevant government agencies and visited the site.

The key issues raised by the community (including in submissions) and considered in the Planning Secretary's assessment report and by the decision maker include the economic and employment benefits to local people, continued steelmaking in the Illawarra, incorporation of environmental improvements, greenhouse gas emissions and environmental impacts of using coal from mines under the Sydney drinking water catchment. Other issues are addressed in detail in the Planning Secretary's assessment report.

Issue	Consideration
<p><u>Jobs</u></p> <ul style="list-style-type: none"> • supports thousands of jobs • creates new jobs • uses local contractors • provides an economic contribution to workers with disabilities 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> • Continued steelmaking would retain 4,500 direct jobs and 10,000 indirect jobs. • The Proponent proposes to develop a contracting and procurement strategy to maximise local employment, continue to invest in community partnership programs and engage the community through the Community Consultative Committee. • The Department's assessment concluded the project is critical for ensuring continued employment for 4,500 people and providing a total of 10,000 indirect jobs in the Illawarra region. • No conditions required.
<p><u>Economy</u></p> <ul style="list-style-type: none"> • critical for the Illawarra economy • directly supports local businesses • enables continued support for community projects 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> • The project would make a significant economic contribution to the region and NSW, generating around \$6.5 billion, or 24% of regional economic output per year. • The Department's assessment concluded the project would make a substantial social and economic contribution to the Illawarra region and support the growth of the NSW economy. • No conditions required.
<p><u>Domestic capability</u></p> <ul style="list-style-type: none"> • maintain domestic steelmaking capability • ensure supply chain security for critical building projects 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> • The steelworks produces around 3 million tonnes of steel per year, with over 2.2 million tonnes supplied to the Australian market. • Continued domestic production of steel at Port Kembla is critical to supply chain security for major infrastructure projects, defence, residential and commercial building projects. • Maintaining domestic production is seen as even more important since the Covid-19 pandemic highlighted risks and delays in the global supply chain. • No conditions required.
<p><u>Environmental improvements</u></p> <ul style="list-style-type: none"> • \$100 million investment in new technology to improve emissions 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> • BF6 would be fitted with new technology to reduce air emissions including a waste gas heat recovery unit, condensing unit, more efficient burners and a second dedusting hood. This technology would offset energy consumption by the capture and reuse of waste heat and gas within the blast furnace and broader steelworks. <p><u>Recommended Conditions</u></p> <ul style="list-style-type: none"> • The Department has recommended the Proponent provide a design verification report to demonstrate the emissions reductions achieved by the new technology and implement monitoring to verify the performance of the technology when BF6 is operational.

Issue	Consideration
<p><u>Greenhouse gas emissions</u></p> <ul style="list-style-type: none"> locking in GHG emissions by using old blast furnace technology inconsistent with Australia's commitment to reduce emissions, under the Paris Agreement 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> In 2021, the steelworks emitted 6,868,848 tonnes of carbon dioxide equivalent (tCO₂-e). There would be a 2.5% reduction in GHG emissions from the steelworks with the operation of BF6 due to the new technology proposed. The Proponent is pursuing alternative steelmaking technologies involving the use of hydrogen and other renewable energy sources, an iron melter and an electric arc furnace. These low to zero emissions steelmaking technologies would not be commercially scalable until around 2050. The Department's assessment concluded the GHG emissions from the project would be similar to the existing operations, with limited opportunity to further reduce emissions without a fundamental change in the way steel is produced on site. The Department acknowledges the Proponent is transitioning to low to zero emissions steelmaking over the long-term, consistent with the Australian Government's commitments under the Paris Agreement. <p><u>Recommended Conditions</u></p> <ul style="list-style-type: none"> The Department has recommended the Proponent provide a design verification report to demonstrate the emissions reductions achieved by the new technology and implement monitoring to verify the performance of the technology when BF6 is operational. The Department has also recommended the Proponent implement best practice measures to minimise greenhouse gas emissions and provide reports every three years on the progress of implementing abatement technologies to reduce emissions.
<p><u>Coal mining impacts</u></p> <ul style="list-style-type: none"> environmental and water security impacts of using coal from underground mines in the Sydney drinking water catchment 	<p><u>Assessment</u></p> <ul style="list-style-type: none"> The impacts of coal mining within the Sydney drinking water catchment is subject to separate assessment and approvals processes. <p><u>Recommended Conditions/Response</u></p> <ul style="list-style-type: none"> None required in this approval, as the impacts of coal mining projects are assessed separately.