



PETER MALINAUSKAS MP

LEADER OF THE OPPOSITION

The Hon Scott Morrison MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

The South Australian Labor Opposition is concerned with the recent decision by Greensill Capital to file for insolvency and the flow on impacts it may have on the Whyalla Steelworks.

A recent statement by GFG Alliance indicated the Whyalla steelworks and associated iron ore mining operations are once again profitable and they have seen strong improvements to underlying earnings year on year.

The collapse of Greensill Capital could put at risk the financing of GFG's steel business, which employs 45000 people around the world, including 7000 in Australia – many at the Whyalla steel mill.

I understand that court documents included a letter from GFG to Greensill Capital dated February 7 stating that, if Greensill stopped providing working capital, GFG would fall into insolvency.

The Steelworks are Whyalla's biggest employer and there are many small businesses across Australia and particularly in Whyalla that do business with the GFG Group.

For the people of Whyalla in particular, having been through the Arrium administration five years ago, this is something they do not need.

I do not believe we can simply wait for the dust to settle as South Australian Treasurer Rob Lucas has suggested, especially now that Greensill Capital has formally entered administration. A proactive approach by both Commonwealth and State Governments should be taken to prevent any adverse consequences.

The South Australian Labor Opposition proposes a joint taskforce be established that will monitor the fallout from the collapse of Greensill Capital, prepare contingency plans and coordinate actions across governments to ensure operations at the Whyalla Steelworks are able to be maintained and thrive into the future.

The Whyalla Steelworks are critical to both South Australia and the nation as a whole – it is essential that we retain our sovereign steel-making capability.

The operations at Whyalla are our nations' only integrated Steelworks that produces structural steel products and rail. It contributes over 70 percent of the structural steel used in Australia not counting prefabricated modules that are imported.

Integrated steelworks cannot simply be turned on and off. The closure and restart of the blast furnace is a very expensive exercise, an exercise that would be difficult to shoulder if ownership was to change.

The impact of a temporary or permanent closure of the steelworks could have a devastating impact on Whyalla.

We simply cannot allow for more uncertainty around the future of the Whyalla Steelworks. Establishing a taskforce will give confidence to workers, businesses, and the people of Whyalla.

Yours sincerely

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Peter Malinauskas MP
Leader of the Opposition

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Eddie Hughes MP
Member for Giles

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