DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MB24-000976

To: Minister for Industry and Science

MEETING WITH ROWAN RAMSEY MP

Timing: 4:45 pm – 5:00 pm, Wednesday 6 November 2024

Meeting with: Mr Rowan Ramsey MP, Federal Member for Grey, South Australia

What we want:

- Acknowledge the evolving situation at the Whyalla Steelworks.
- Emphasise that the Australian Government is committed to Australian iron and steel and the future prosperity of the Upper Spencer Gulf.
- Avoid disclosing non-public information about the Steelworks and government strategy.

What they want: Further information on what is happening at the Steelworks, and how Commonwealth and State Governments will respond in the event of administration or closure.

Prior meetings: Nil. As the local member, Mr Ramsey has been engaged around the steelworks and transformation plans since at least 2017.

Issues and Sensitivities:

1. The possibility of closure at the Steelworks could be used to question the credibility of Future Made in Australia and renewable energy commitments – while an actual closure would have far reaching economic and social impacts on the Whyalla community.
2. GFG has long-made strong representations, but has not been forthcoming in making investments in the future of the operation.

Consultation:

3. DISR: Minerals and Resources; Supply Chains and Sovereign Capability; Strategic Policy; Analysis & Insights. Department of the Prime Minister and Cabinet.

Attachments:

A: Discussion points

B: Biography

Clearing Officer:	James Flick	General Manager, Industry Policy Branch, Industry and Manufacturing Division	**s 22**
Contact Officer:	**s 22**	A/g Manager, Industry Policy	**s 22**
For Parliamentary Services' use only. Date Submitted to the Minister's office in PDMS:			30/10/2024

Discussion points

- The Albanese Government is closely monitoring the financial and operational challenges facing the current owner of the Whyalla Steelworks, GFG Alliance, here and around the world.
- We're looking at the transition and future sustainability of Australian steel holistically – through our Future Made in Australia agenda, NZEA work and to unlock enablers like hydrogen.
- There are challenges in dealing with the current operator.
    - We're mindful of Mr Gupta's global debts and what's happening with his operations in Europe.
    - Despite $113.2 million of State ($50) and Commonwealth ($63.2) funding being available to support the steelworks, milestones aren't progressing.
- I'm working closely with Tom Koutsantonis to consider available and appropriate steps should the situation worsen.
- In the meantime, my department is also connected with federal employment and social services to provide support to the community as needed.

ATTACHMENT B

Biography

Rowan Ramsey MP Federal Member for Grey, SA 	Mr Ramsey has been the Federal Member for the rural South Australian seat of Grey since 2007. Grey covers over 92% of SA's geography and includes Whyalla, Port Pirie, and Port Augusta. He has served as Whip in Government and in Opposition. Mr Ramsey has significant experience in the agricultural sector, and was a farmer before entering Parliament. He has been involved in a number of community agriculture and health organisations, and previously served as the Chair of the Eyre Peninsula Agricultural Research Foundation and Chair of the Eyre Peninsula Hospitals Association. He is married to Teresa, a teacher, and has three adult children employed in science and engineering.

DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MB24-000946

To: Minister for Industry and Science

MEETING WITH SENATOR JACQUI LAMBIE

Timing: 11.00am – 11.30am, Wednesday 20 November 2024, M1.49, Australian Parliament House

Meeting with: Senator Jacqui Lambie, Senator for Tasmania

Proposed note taker: N/A

What we want: **s 22**

s 22

What they want: **s 22**

s 22

Prior meetings: None advised.

Issues and Sensitivities:

1

s 22

2. Senator Lambie visited the Upper Spencer Gulf Region, including Whyalla, in late October 2024 and may wish to discuss government intervention to prevent closure of the Whyalla Steelworks. The possibility of closure could be used to question the credibility of Future Made in Australia and renewable energy commitments. Actual closure would have significant local economic and social impacts.

3

s 22

4

s 22

5. Background is at Attachment B and a biography at Attachment C.

Clearing Officer:	Dwayne Purdy	A/g General Manager, Budget and Portfolio Policy Branch	**s 22**
Contact Officer:	**s 22**	A/g Manager, Portfolio Priorities Team	**s 22**
For Parliamentary Services' use only. Date Submitted to the Minister's office in PDMS:			11/11/2024

Consultation: YES

6. Sovereign Capability and Supply Chains Division; Industry and Manufacturing Division; AusIndustry; Technology and Digital Division; Science Division; Strategic Examination of R&D.

Attachments:

A: Discussion points

B: Background

C: About the Organisation and Biography

Discussion Points

Future Made in Australia (FMA)

s 22

If asked: Whyalla Steelworks

- We are closely monitoring the financial and operational challenges facing the current owner of the Whyalla Steelworks, GFG Alliance.

- We are looking at the transition and future sustainability of Australian steel holistically, including through our FMA agenda.
- There are challenges in dealing with the current operator.
- Despite $113.2 million of State and Commonwealth funding being available to support the steelworks, milestones are not progressing.
- I am working closely with the South Australian Government to consider available and appropriate steps, should the situation worsen.
- My department is also connected with federal employment and social services to provide support to the community as needed.

Safe and responsible AI and use of AI in elections

s 22

BACKGROUND

Safe and responsible AI

s 22

Use of AI in election campaigns

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s 22

Green metals

s 22

s 22

Whyalla Steelworks

- The owner of the Whyalla Steelworks, Mr Sanjeev Gupta, is facing significant global debts and operational challenges here and in Europe.
- Whyalla Steelworks is currently the only domestic supplier of steel rail track products. The facility also supplies steel products to the rolling stock manufacturing industry. The department understands imported alternative products are available to mitigate potential domestic supply chain interruptions, but extended lead times are likely.
- $113.2 million has been made available to support the steelworks, comprising $50 million in state government funding and $63.2 million in Australian Government funding.
- The current operator of the Whyalla Steelworks has long made strong representations, but has not been forthcoming in making investments in the future of the operation.

Batteries

s 22

National Reconstruction Fund

s 22

Industry Growth Program (IGP)

s 22

Science

s 22

Strategic Examination of Research and Development

s 22

AusIndustry Insights – Key Challenges, Priorities and Projects in Tasmania

s 22

s 22

ATTACHMENT C

ABOUT THE ORGANISATION

The Jacqui Lambie Network is an Australian political party formed on 14 May 2015. The party currently has two elected members: Jacqui Lambie in the Australian Senate and Andrew Jenner in the Tasmanian House of Assembly. The party frames its mission as 'giving a leg up to the little guy'.

BIOGRAPHY

<table>
<tr>
<td></td>
<td>Ms Jacqui Lambie, Senator for Tasmania, Australian Senate, & Leader of the Jacqui Lambie Network.

Senator Lambie has served as the Senator for Tasmania since 2019, having previously served as Senator from 2014-2017.

Senator Lambie began her political career working for Tasmanian Labor senator Nick Sherry in 2008. She joined the Liberal Party of Australia in November 2011, and ran for preselection for the Division of Braddon. She subsequently left the party.

In the 2013 federal election, Ms Lambie won Tasmania's sixth Senate seat as a candidate for the Palmer United Party. However, she left the party in November 2014, due to disagreements with Party Leader Clive Palmer. She remained in the Senate as an independent.

In May 2015, Ms Lambie established the Jacqui Lambie Network, winning re-election for the party in the 2016 federal election.

After resigning from the senate on 14 November 2016 under Section 44 of the Australian Constitution, due to holding a dual nationality, Lambie was re-elected to the Senate at the 2019 election.

Prior to entering into politics, Ms Lambie served in the Australian Army from 1989-2000, achieving the rank of Corporal before being discharged on medical grounds.

Senator Lambie is a Palawa woman, born in Ulverstone in north-western Tasmania.</td>
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DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MB24-000853

To: Minister for Industry and Science

VISIT TO SOUTH AUSTRALIA

Timing: 18 September 2024

Meeting with: To support your visit to South Australia, this brief provides overarching information about the state, prior departmental interactions with businesses, government and individuals and broad issues, sensitivities and discussion points.

Issues and Sensitivities:

Whyalla Steelworks

1. There has been significant media reporting on the Whyalla Steelworks, including:
    - retrenchments, with 45 jobs cut at the Steelworks and others in related mining operations;
    - delays to a shipment of coking coal;
    - reports of non-payment to contractors and suppliers;
    - reports of reduced maintenance and safety concerns.
2. Talking points for Whyalla Steelworks are at Attachment B.

Green metals

s 22

Defence Export Controls

s 22

Clearing Officer:	Celia Gleeson	General Manager, Whole of Government Policy and Priorities Branch	**s 22**
	Naomi Perdomo	General Manger, Whole of Government Policy and Priorities Branch	**s 22**
Contact Officer:	**s 22**	a/g Manager, Economic and Project Team	**s 22**
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National Radioactive Waste Facility Kimba

s 22

Southern Launch permanent launch facility delay

s 22

Artificial Intelligence (AI)

s 22

PsiQuantum

s 22

Consultation: YES

12. Technology and Digital Division, Science Division, Commercialisation Division, Industry and Manufacturing Division, Sovereign Capability and Supply Chain Division, AusIndustry, Mineral and Resources Division, Oil and Gas Division, Australian Space Agency, Australian Radioactive Waste Agency.

Attachments:

A: Discussion Points

B: Q&As

C: Key State Facts

D: Departmental interactions

E: AusIndustry Insights

F: State and Local Economic Profiles for South Australia

Discussion points

National Reconstruction Fund

s 22

Future Made in Australia

s 22

National Battery Strategy

s 22

s 22

Government Tax incentive programs

s 22

ATTACHMENT B

Q&As

If asked about Whyalla Steelworks

- The Australian Government is aware of reports of non-payments and retrenchments at the Whyalla Steelworks.
- The Government is working with the South Australian Government, industry associations and businesses to understand the situation and monitor the impacts.
- We are committed to a Future Made in Australia – rebuilding Australian manufacturing is a large part of this. Green metals are identified as a priority sector under the Government's Future Made in Australia National Interest Framework.

If asked about providing Government funding to Liberty Steel Australia, part of the Gupta Family Group (GFG) Alliance

- On 31 January 2024, the Minister for Climate Change and Energy, the Hon Chris Bowen MP, and I made $63.2 million available to Liberty Steel Australia through the Powering the Regions Fund to support the commission of a low carbon electric arc furnace at the Whyalla Steelworks.
- The Powering the Regions Fund grant process included expert merit and technical assessment. Liberty Steel were assessed as suitable and recommended for funding by the expert committee.

If asked about the Southern Launch permanent launch facility delay

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If asked about the PsiQuantum Market-led Proposal process

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General commitments

If asked about the National Rail Manufacturing Plan

s 22

LEX 76386 - FOI - Document 27

If asked about the National Robotics Strategy

s 22

If asked about the RNA Blueprint

s 22

If asked about Battery Breakthrough Industry Consultation

s 22

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If asked about green metals

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If asked about Safe and Responsible AI

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If asked about the AI Adopt Program

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If asked about the Next Generation Graduates Program

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ATTACHMENT C

Key South Australia (SA) Facts

Economy

- The state's employment market grew by 3.4 per cent in 2022-23 and is predicted to grow by 2 per cent in 2023-24. The unemployment rate is currently 32 per cent below the long-term average.
- SA's population has grown by 1.7 per cent from 2023 to 2024. Population growth is driven by net overseas migration, like other Australian states, but this growth rate is one of the lowest in the nation.
- The South Australian 2024-25 Budget states that gross state product (GSP) was estimated at 1.25 per cent for 2023-24, with growth forecasts of 1.75-2.0 per cent per year over the next 3 years.
- SA's biggest contributor to GSP is mining, followed by agriculture, fisheries and forestry, accommodation and food services, and transport, postal and warehousing. The industries with the most growth are accommodation and food services, art and recreation, and mining. The state's largest employers are health care and social services, followed by retail trade, and manufacturing. SA's biggest exports are wheat, education-related travel and copper.
- The South Australian 2023 *Economic Statement* sets 3 missions for the current state government:
    - Capitalise on the global green transition: Increase economic complexity, productivity and sustainability through leading in green industries and supply chains and moving up the value chain for green products.
    - Become partner of choice in an insecure world: Promote the state's stable and secure operating environment, which is ideal for industries such as defence and manufacturing, and the state's commitment to innovation.
    - Build South Australia's talent: Develop a highly skilled and dynamic workforce and nurture the state's high level of liveability to attract skilled workers.

Renewable energy

- SA has a strong uptake of renewable energy, with renewables generating 70 per cent of electricity demand in SA in 2022 and a target of 100 per cent renewable electricity by 2027.
- SA is home to the Hornsdale Power Reserve, Australia's first big battery constructed in 2018. SA government incentivises batteries with the $50 million Grid Scale Storage fund and $100 million home battery scheme for up to 40000 households.
- DCCEEW estimates a home battery can save the average SA household over $1,300 on their annual electricity bill when combined with solar – the largest saving of any state.

- The *South Australian Advanced Manufacturing Strategy* (the Strategy) identifies key industries for investment and growth, including defence and space, renewable energy and green hydrogen, and critical minerals and resources. It plans to grow the manufacturing sector in SA over 10 years from 6 per cent to 10 per cent of the economy and business research and development (R&D) from 25 per cent to 30 per cent. The Strategy aims to transition from current key manufacturing industries (food, machinery and equipment) to items up the value chain.

- The SA Government is currently working on a green industrial transition roadmap and a pathway strategy to reduce net greenhouse gas emissions by more than 50 per cent by 2030 and to achieve net zero emissions by 2050.

ATTACHMENT D

Recent departmental interactions

Science Division

Quantum and Photonics Industry

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QuantX Labs

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Commercialisation Division

Early-stage company case studies

s 22

s 22

National Startup Data Project

s 22

Industry and Manufacturing Division

Office of National Rail Industry Coordination (ONRIC)

s 22

RNA Blueprint

s 22

Green Metals

s 22

s 22

Sovereign Capability and Supply Chain Division

National Reconstruction Fund (NRF) Consultation Paper

s 22

Co-investment Plans Engagement

s 22

National Battery Strategy

s 22

s 22

Australian Space Agency

Active Grants

s 22

Minerals and Resources Division

Geoscientific Projects

s 22

Lithium-ion battery minerals

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Technology and Digital Division

Artificial Intelligence

s 22

Next Generation Graduates Program

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AusIndustry Insights – Key Challenges and Projects in SA

Key issues impacting SA industry and businesses

Businesses, local councils, and industry organisations have identified several key challenges facing industry and communities in SA. These include:

Businesses across SA report **skills, labour and housing shortages** are restricting business growth and contributing to business closures. They note some of the most difficult skillsets to find in the region are electricians, welders, boilermakers, diesel mechanics, and other critical workers in the health, law enforcement and government sectors. Businesses state labour shortages are compounded by small labour forces and low unemployment, particularly in regional areas, a lack of training facilities for some trades, job poaching by higher paid roles in larger companies, and insufficient housing. In some cases, businesses state they are having to resort to the use of temporary accommodation measures, such as caravans, to house their staff.

The rising cost of doing business has impacted businesses in SA, with businesses reporting challenges due to inflation, interest rates and increased costs for energy, fuel, labour, materials, production and other inputs. Businesses note this is reducing profitability, increasing business risk, leading to demand decreases from consumers and business clients and causing businesses to reduce their workforce or operations, in some cases closing whole manufacturing lines. Industry stakeholders say business confidence is now "moving into the negative territory".

> *"We're probably only getting a third of the price of what you see on the shelf, despite having increased our prices twice in 2023 to meet costs."*

Multiple businesses reporting facing **difficulty accessing capital**, including to purchase a business or reinvest in their own, particularly in regional areas. They note financial institutions are hesitant to fund regional businesses, despite several large projects occurring nearby (including in decarbonisation and Net Zero initiatives). In some cases, they note lenders will not facilitate loans to a business over 200km outside of a city. Other businesses note if they do not secure funding, it would "effectively kill" their projects, and the biggest barrier to them receiving funding is the matched funding requirement in government grant programs.

Businesses and industry organisations report **the wine industry** in SA is in "a crisis bordering on catastrophe". They note the sector is struggling with a number of pressures, including the Chinese trade tariffs, a shift in wine consumption trends leading to an oversupply, water security issues, unsustainable prices below the cost of production, and increasing inputs for water, freight and production. Due to this, many growers say they are using equity at this point in time, selling assets to provide cashflow to their businesses, and are considering leaving their grapes to rot on the ground or pull out their vines entirely.

> *"The situation is desperate. The flow-on effects are plain to see – no-one has money to spend, no-one goes out to restaurants, no-one is buying tractors. We don't want to see the region become a ghost town."*

Industry stakeholders note businesses in SA face various **regional concerns**, including increasing anti-social behaviour and broader impacts on local industries and communities after business closures. They state crime in various regions is affecting business operations, with damage to premises, breaking and entering and shop lifting. Businesses state this is a "constant issue" affecting their bottom line, contributing to staff retention difficulties and leading to business closures. Industry stakeholders note the closure of businesses from various economic pressures has larger implications on surrounding regional communities and businesses. They say closures leave large areas with insufficient services and can affect the mental health of business owners and financial

viability of other local SMEs, including through delayed payments, job losses and contracts not being renewed – ultimately contributing to the rise in cost-of-living.

> *"Our business not only serviced our town – we also operated a freight service for our fresh fruit and vegetable goods to remote towns, and facilitated freight for other businesses in the town as well. It will leave a huge gap in the regional and remote community."*

Current SA State Government priorities

SA State Government's current priorities aim to address the challenges facing the state, including housing, health and cost-of-living pressures. The government also plans to invest in critical infrastructure, including health care services, child protection services, energy bill relief and disaster recovery assistance. These include:

- Additional **health care industry** investment of $2.3 billion over five years, including $1.3 billion over five years for additional hospital activity to meet demand pressures and ensure the health system is appropriately resourced.
- A $474.7 million **housing package** that aims to directly support the building of around 3600 homes over the next five years.
- $471.3 million in **cost-of-living relief** across several areas, including additional funding for non-Government organisations, expanded school breakfast program, increases to concessions and $254.4 million towards **energy bill relief.**
- The government is investing $216.6 million in **child protection and early intervention services**, including an additional $109.5 million in response to the increasing number of children and young people in non-family-based care.
- A **flood response and recovery package** that includes emergency accommodation assistance, travel assistance, clean-up and waste program, First Nations heritage protection, small business industry support grants and primary producer recovery grants.

Background information – SA projects and opportunities

Hydrogen Plant	**s 22**
Renewable Energy Projects	
Green Steel	Liberty Steel, part of GFG alliance announced the phase out of coal-based steelmaking at its Whyalla plant with the signing of a supply contract for a 160-tonne low carbon emissions (low carbon) **electric arc furnace**. The new furnace will lift steelmaking capacity at Whyalla from 1 million tonnes per annum (mtpa) to over 1.5mtpa. The $485 million new EAF and associated infrastructure would be funded by the business, with grant funding sought from SA government. ***Potential sensitivity:*** *Whyalla community held a meeting Sunday 15 September 2024 where over 100 community members attended to discuss their concerns with a state government independent.*
Green Cement	**s 22**

Northern Water Supply Project

Oak Dam Mine

Tech

s 22

Defence Collaboration

s 22

Doc 11

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- **Whyalla Steelworks:** We have briefed you on the increased risk of administration/closure of the Whyalla Steelworks (MS24-001289). We are monitoring developments and consulting with SA and across Government to consider potential scenarios.

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- **Whyalla Steelworks** (MS24-001289). We are working with on options to brief Government on possible scenarios at a future PDC.

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- **Whyalla Steelworks:** meeting with you on 30 September to discuss options prior to possible scenarios going to PDC (10 Oct TBC).

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DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

MS24-000752

To: Minister for Industry and Science (For Decision)

INDUSTRY AND REGIONAL TRANSITION INSIGHTS AND ANALYSIS

Timing: Routine

Recommendations: That you

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3.

Minister: Date:

Comments:

Clearing Officer:	James Flick	General Manager, Industry Policy Branch, Industry & Manufacturing Division	**s 22**
Contact Officer:	**s 22**	Manager Industry Investment and Transition	
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Key Points:

s 22

s 22

The July Forward Scan

s 22

Next steps

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s 22

Sensitivities and Handling:

s 22

Data referenced: s 22

Consultation: s 22

s 22

ATTACHMENTS:

A: Draft letter to the Prime Minister

B: July 2024 Forward Scan summary

C: July 2024 Forward Scan full report

Doc 18

s 22

Dear Prime Minister

One of my 6 strategic ministerial objectives is to lead an evidence-based, whole-of-government system to identify and manage risks and opportunities emerging from economic transition.
To update you on this objective, I have attached the July 2024 Forward Scan of industries and regions vulnerable to economic transition s 22

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- *Ten communities* vulnerable to changes to the industrial mix: South Australia Outback (Whyalla), s 22

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Doc 18

s 22

July 2024 Forward Scan

Summary

FOI 73386 – FOI – Document 50

Australian Government
Department of Industry, Science and Resources

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s 22

South Australia – Outback (Whyalla)*

Whyalla Steelworks remains at risk of closure. This would be extremely challenging for the region due to the scale of potential job losses, and the nature and timing of emerging opportunities.

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*Initial priority regions for the Net Zero Economy Agency

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Doc 18

s 22

Australian Government
Department of Industry, Science and Resources

Forward Scan Report

The Forward Scan Report draws on evidence to identify industries and regions at most risk from economic transition

July 2024

Doc 18

s 22

Doc 18

s 22

Executive Summary

Doc 18

Overview

76386 - FOI - Document 51

s 22

10 regions are identified as vulnerable, with Whyalla, s 22 at greatest risk

s 22

South Australia – Outback (Whyalla) and s 22 are reliant on the primary metals sector. Both regions have significant opportunities in the medium to long term, but face short term challenges, with Whyalla at higher risk.

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Executive Summary

Doc 18

Regions vulnerable to transition

76386 - FOI - Document 51

s 22

Slide	Region	Reasons for inclusion	Cat.
19	**South Australia – Outback (Whyalla)***	The Whyalla Steelworks remains at risk of closure over the short to medium term. The scale of potential job losses, remoteness of the region, and nature and timing of growth opportunities make this a Category A transition. NZEA is leading negotiations with South Australia on the net zero economic transformation of the Upper Spencer Gulf, which could mitigate the reliance of the region on the steelworks over time.	A

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Primary Metal Manufacturing: Iron, Steel, Alumina and Aluminium

76386 - FOI - Document 51

What is happening?

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- GFG's Whyalla Steelworks has globally uncompetitive operating costs, and the company faces ongoing financial and legal challenges. Its ageing blast furnace was inoperative from March until July 2024 when it cooled down below the required temperature during scheduled maintenance.

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Concentration of impact

Steel, alumina and aluminium facilities are large regional employers providing highly paid work for both high and low skill jobs. Their location in regions such as Whyalla and s 22 limits diversification options if facilities close.

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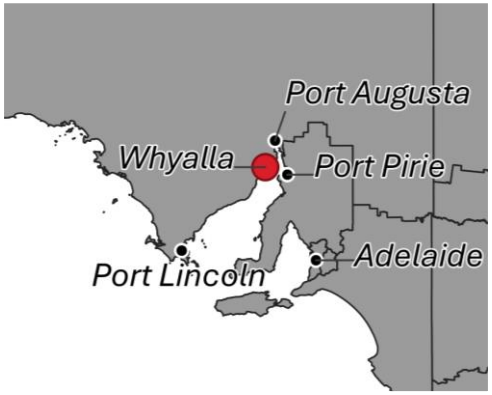
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PROTECTED: CABINET

South Australia – Outback (Whyalla)

76386 - FOI - Document 31

Barngarla country



JSA LABOUR MARKET RATING: Poor

Jobs at risk

1100

employed by the Whyalla Steelworks

~3,000 direct and indirect jobs (around 25% of Whyalla & Whyalla North)

Lead time and sequencing

At risk of an abrupt, short notice event in the short to medium term

Top Employing Industries Census 2021, Place of Work

Whyalla and Whyalla North (working zone)	
Primary Metal and Product Manufacturing	1179 (14%)
Pre-school and School Education	691 (8.2%)
Hospitals	487 (5.8%)

About the Transition

What is happening?

- The blast furnace at GFG Alliance's (GFG) steelworks was offline from March to July 2024. Structural instability, reduced hours of operation and 30% pay reductions were reported during this period. The sustained outage increases the risk of GFG losing their customer base to overseas competitors.
- GFG intends to produce green steel using Direct Reduced Iron and an Electric Arc Furnace (EAF). GFG were awarded $63.2m towards the EAF purchase and commission through Powering the Regions Fund. Based on past performance and financial challenges, GFG's ability to deliver is unclear and the proposed commissioning has been pushed back to 2027 at the earliest.
- The GFG CEO and Chairman remains under investigation in the UK and France for fraud and money laundering. Globally, GFG is increasingly under pressure to repay debts and restart idled assets.
- GFG's hematite mines are expected to reach end of life by 2026, further reducing GFG's Australian export earnings and restricting cashflow. Mine workers face reduced hours or redundancy, following earlier contractor redundancies.

What is driving this change?

Ageing infrastructure: little investment to modernise procedures and practices.

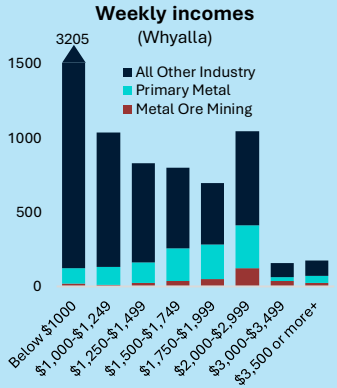
Net zero: pressure to decarbonise including under the Safeguard Mechanism.

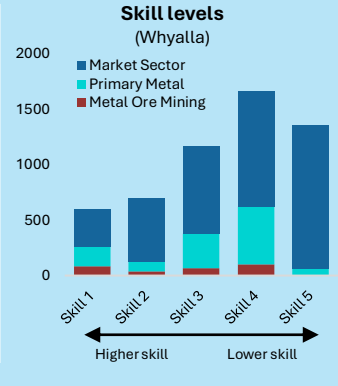
Financial and legal pressures: risks around GFG ownership and finances.

Impacts and Opportunities

Concentration of impact

The steelworks provides highly paid employment, representing 40% of workers in Whyalla earning over $1,750 per week. They represent about 20% of Skill 4 workers. This suggests there are limited options for displaced steel workers to find similar work, increasing the risk of economic migration. Workers in the steelmaking supply chain, both up and down stream will also likely be at risk.





Emerging opportunities and mitigations

The Government, through NZEA, has commenced non-binding negotiations with the SA Government on an agreement to support the orderly and positive net zero economic transformation of the Upper Spencer Gulf. The SA Government has identified over 20 projects it considers key to the region's transformation.

Renewable energy, hydrogen and desalination projects and magnetite mining present opportunities for the region, with significant support from the SA Government already announced through the State Prosperity Project, including:

- $593m Hydrogen Jobs Plan for a hydrogen production, power plant and storage facility near Whyalla. $100m Hydrogen export hub announced for Port Bonython ($30m SA Government and $70m Australian Government).
- Supporting technical pre-planning for the proposed Northern Water Supply Project, which, if approved, will pipe water across the region for processing critical minerals, producing hydrogen and green metals. ($65m Australian Government through the NZEA, $230m SA Government and industry)
- South Australia EOI for industry partners to jointly investigate the development of a hydrogen-based DRI plant in the state.

Conclusion

The Whyalla Steelworks remains at risk of closure over the short to medium term. The scale of potential job losses, remoteness of the region, and nature and timing of growth opportunities make this a Category A transition. NZEA is leading negotiations with South Australia on the net zero economic transformation of the Upper Spencer Gulf, which could mitigate the reliance of the region on the Steelworks over time.

Category A

PROTECTED: CABINET

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Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

Anti-Dumping Commission Report No 637

Table 1 under section 269ZHG(4)(a)(iii) of the *Customs Act 1901*

Hot rolled structural steel sections

Exported from the Republic of Korea

Manufactured and exported by Hyundai Steel Company

ASCERTAINED NORMAL VALUES, EXPORT PRICES AND NON-INJURIOUS PRICES

Ascertained export price USD per tonne FOB cash	**Ascertained normal value KRW per tonne FOB cash**	**Ascertained non-injurious price AUD per tonne FOB cash**	**Duty method (combination of fixed and variable, floor price, fixed or *ad valorem*)**	**Interim dumping duty rate**
s 22	s 22	s 22	*ad valorem*	5.2%