

Wollongong City Council was very pleased to learn of BlueScope's decision on 26 October 2015 to continue the production of raw steel at Port Kembla (subject to the ratification of the new Enterprise Agreement). All parties involved, including BlueScope management, unions, workers and NSW Government and Wollongong City Council worked together to ensure an outcome for the good

for the region. Following this decision, the Board upgraded its earning outlook due to a number of factors (including the weaker \$A/\$US) and estimates a saving of around \$200 million by FY2017. This demonstrates a commitment by BlueScope to the Illawarra region and a willingness by all parties to work together for the good of the region. However, it should be recognized that despite BlueScope's announcement, there were still impacts on the economy of current job losses of around 500 people. REMPLAN modelling (Attachment B) demonstrates these 500 current job losses will have a flow on multiplier effect, with total job losses (taking into account the industrial and consumption effects) estimated at around 791 people and a \$402 million impact on the economy.

Wollongong City Council supports the local steel industry and its importance to the local economy. At its meeting of 24 August 2015, Council discussed the issue of BlueScope and how to strengthen local economic capacity through strategic procurement. Council resolved unanimously the following:

- 1 Council write to relevant Federal and State Ministers, local Members of Parliament and relevant Trade Unions, seeking their support and advocacy to maximise Australian steel content in all State and Federal Government procurement contracts and tenders.
- 2 Council explore options to support the viability of BlueScope Steel Port Kembla, including prioritising the development of a strategic centre-led approach to procurement policies and procedures to further strengthen the local economic capacity. A meeting/briefing be held with Councillors and Senior Managers, within the next six weeks, to consider various options.
- 3 Council seek the support of all stakeholders to commit to working collaboratively to support the steelmaking industry and the steel value chain to achieve a positive outcome for our region.

In conclusion, Wollongong City Council supports the submission of the Illawarra Business Chamber *The Future of Australia's Steel Industry* to this inquiry comprising the four recommendations:

- Recommendation 1: Require government suppliers to confirm to quality standards for steel.
- Recommendation 2: Enhance local content procurement through better engagement, reporting and publicising the employment, skills and technology outcomes of public infrastructure projects.
- Recommendation 3: Encourage State and Territory governments to use Industry Participation Agreements.
- Recommendation 4: Support economic diversification by building entrepreneurship, boosting small business research and investing in infrastructure.

If you have any further enquiries, please contact Mark Grimson, Economic Development Manager on 4227 7166.

Yours sincerely

Lord Mayor

Councillor Gordon Bradbery OAM
Wollongong City Council