

15 February 2017

Committee Manager

Senate Economics Reference Committee

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Parliament House Canberra ACT 2600

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**Australian Senate Inquiry into the future of Australia's Steel industry**

Dear Senators,

Some suggestions to the Senator Committee Call for Policy Change to Secure Future of Arrium:

- Government should avoid foreign ownership of these strategic assets and should also co-invest into the company to invest in technology to modernise the assets to ensure long term prosperity.
- Government funding should also be allocated to support research and development to put our nation to be on the front foot of innovation in steelmaking.
- Procurement policy should be drafted to encourage prevalent use of locally made steel for government funded infrastructure projects to ensure high quality products and to support the domestic steelmaking industry.

In addition, the following is my post relating to the implications to the jobs and national interest when Arrium is sold off the foreign/third party <http://arrium-asu.wixsite.com/fight-for-justice/single-post/2017/02/13/Save-Our-Jobs-and-Save-Our-Industry>

**Jobs! Jobs! and Jobs!**

Arrium steel, mining, recycling and distribution divisions are all running profitably with appropriate workforce structure in place. The outlook of the steel and iron ore are as prosperous as ever in recent times based on the current market fundamentals and the structural change in China and US policies in relation to steelmaking and infrastructure projects.

What will happen to the jobs when the steel and mining assets are being sold off?

How many jobs are going? Can the new owner guarantee no jobs will be lost as a result of synergy? Which plants, offices and operations will be closed as part of the operation restructuring?

What about the workers conditions? Can the new owner guarantee the workers conditions will not be dwindled and no lower wage workers will be imported from overseas to compete against local workers to drive conditions down?

**National Assets are GONE forever!**

It took over 100 years to establish a proudly Australian owned domestic steelmaking assets to provide stable jobs and security to many hard working Australian at the time of building the nation.

How much local steel have we produced locally to build the Sydney Harbour Bridge in the 30s during the second world war and global recession?

How are we going as a nation to provide national security and economic stimulus to the country when the world is heading to war and facing another global recession if the raw material used in infrastructure projects are no longer owned by us?

**Do we have other options than selling off these assets?**

YES! YES! and YES!

With the surge in steel and iron ore prices to multiyear high, based on our detailed analysis, the company is projected to earn over A\$500m EBITDA which is more than sufficient to service and pay off the remaining financing debts over the next few years.

We ASU plead the Unions and Governments to take proactive approach to engage in dialogue without delay to consider the debt refinance option with the current lending syndicate in order to take the company out of administration and return to normal trading as the utmost priority.

Banks, being the corporate citizens and key driver of economic prosperity and were supported and “saved” by the government using taxpayers monies during the GFC, should work collaboratively with the governments to support the national interest.

**Jobs are Not guaranteed and time is running out!**

Inaction by the unions and governments is not the option at this historical moment and we plead all the stakeholders to take responsible and prudent approach in assessing the current situation and taking appropriate actions without delay!

Yours sincerely

Charles Law (NSW)