



INDUSTRY REFERENCE GROUP

Dear Member,

We wrote to you last week regarding the unfolding situation at GFG Alliance – owner of Infrabuild, Liberty Steel and other Australian businesses such as TEMCO – and the status of its financing and debt arrangements.

The situation has changed since we last updated you.

### **Update**

Greensill Capital – the banking house that GFG Alliance has borrowed from substantially – has now filed for insolvency and an Administrator (Grant Thornton) has been appointed.

The debts owed to Greensill globally by GFG Alliance amount to 4 billion dollars. We are seeking clarity from GFG Alliance as to how Greensill Capital's administration will impact on the operations and financing of its Australian businesses.

GFG has indicated it intends to refinance its four billion dollars debts with other financiers and we understand these negotiations to be currently underway. Refinancing of these debts will allow GFG Alliance to continue to operate its Australian businesses as normal.

As part of our data gathering exercise, we have been working with our sister unions overseas to ascertain as much information as possible on the global status of the business. We will continue to share information and data as it comes to hand.

### **Next steps**

The AWU has formally requested a meeting between our AWU Delegates and GFG Alliance.

We have requested that this be an all of business meeting covering all AWU Delegates in GFG's Australian owned businesses. We will update you once this meeting is confirmed.

While we understand this is a highly stressful time, it is critical to remember that GFG Alliance's operations in Australia are in a much stronger position than they were 12 months ago or during the Arrium administration in 2016/17. Whyalla's position is vastly improved and order books are full at other Infrabuild mills and sites across Australia.

More broadly, the economic outlook for the steel industry is strong, thanks to a boom in civil infrastructure and residential construction projects. Australia's economy is recovering faster and better than expected from COVID-19 and this boost in performance will bolster demand for Australian steel.

As part of this recovery, we're also working closely with State and Federal Governments to prioritise local steel in upcoming major projects, which will ensure a strong steel market for years to come.

Whatever happens, we will ensure our members are looked after and treated fairly – **your livelihood and job security is our top priority.**

We'll continue to keep you updated as things progress or new information comes to hand.

Please be aware that this situation is unlikely to resolve itself quickly and it may take weeks before we fully understand the ramifications of this matter and the next steps involved. There will likely be lots of information and rumours flying about, so we ask that you listen to your AWU delegates and organisers for your source of information.

In the meantime, if you see any changes on your site, or if you have any questions, please get in touch with your local delegate or organiser. .

In Unity,  
**The Australian Workers' Union**

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