



DPC20/0341

18 May 2020

Ms Leah MacLennan
ABC Adelaide
81 North East Road
COLLINSWOOD SA 5081

GPO Box 2343
Adelaide SA 5001
DX 56201
Tel 08 8226 3500
Fax 08 8226 3535
www.dpc.sa.gov.au

Sent by email: maclennan.leah@abc.net.au

Dear Ms MacLennan

Freedom of information application

I refer to your colleague Rebecca Puddy's request received by the Office of the Premier seeking access under section 13 of the *Freedom of Information Act 1991* (the Act) to:

Correspondence between the Premier / Premier's Office and Ian Smith regarding financial support for the Whyalla Steelworks and/or GFG Alliance since March 2018 - Advice to the Premier / Premier's Office regarding a request for financial support for the Whyalla Steelworks and/or GFG Alliance since March 2018.

The Department for the Premier and Cabinet (DPC) is responsible for providing determinations on behalf of the Office of the Premier. Under the Act, an agency has 30 days to respond to a freedom of information request. As DPC did not respond to your request within the time frame required, the department is deemed to have refused you access to all documents relevant to your application. However, I have determined to process the request as if the statutory time frame had been met.

Eight documents were identified as answering the terms of your application and I have determined these documents as follows:

- I grant you access in full to one document, a copy of which is enclosed;
- I grant you access in part to six documents, copies of which are enclosed; and,
- I refuse access to one document.

Documents released in part

Document 2 – 6 and 8

Documents 3 - 6 and 7 contain information relating to the personal affairs of a third party, namely a mobile phone number. Under clause 6(1) of Schedule 1 to the Act, information is exempt if releasing it would involve the 'unreasonable disclosure of information concerning the personal affairs of any person'. I have considered that the application of clause 6(1) requires two elements, one that the information contains the personal affairs of that person; and secondly that disclosure would be unreasonable and contrary to public interest. I have determined that this information falls within the category of 'personal affairs' as listed under section 4(1) of the Act, thereby meeting the first

elements of this clause. Further, I have considered whether the disclosure of this information would be unreasonable. In doing so, I have considered the relevance of this information to the public and the likelihood as to whether the person in question would consent to disclosure. I have concluded that this information was likely obtained in confidence and through measures which would otherwise make it unavailable to the public. I have considered the factors in favour of public interest and determined that these factors are outweighed by the need to maintain personal confidentiality in this instance. Therefore, I have determined that this information meets the requirements of clause 6(1) and is thereby exempt pursuant to this clause.

Documents 2 and 6

These documents contain information concerning the business, professional, commercial or financial affairs of GFG Alliance. The detailed information on GFG Alliance has significant commercial value to GFG Alliance both at large and, more specifically, in the sense that such information, which is not publicly available, may impact GFG Alliance's commercial transactions or dealings with other entities. The details of the commercial and financial strategies and affairs provided are highly commercially sensitive and could cause real and immediate impacts to GFG Alliance if disclosed.

In applying the public interest test, I have considered the objects of the Act, which favour release. I have also considered the significant degree of public interest in the operation of the Whyalla Steelworks, the involvement of GFG Alliance in it, and the potential expenditure of state funds. However, it is not in the public interest that those engaging with the state government be deterred by the threat of information being disclosed from having full and frank exchanges of information to assist in Government decision making. Additionally, insofar as the release of this information could adversely affect GFG Alliance's commercial interests and ability to conduct its business, such adverse impacts would also affect the interests of the state, given the strong public interest in the continued viability of the steelworks. Finally, the disclosure of this information may deter other commercial entities being willing to invest in the state where doing so involved sharing commercially sensitive information that may present an inaccurate, incomplete or superseded picture. It is for these reasons I have determined to exempt this information pursuant to clause 7(1)(c) of the Act.

Document 3

Document 3 contains internal discussions regarding the request for financial support, which meet the terms of the exemption at clause 9(1) of the Act. In applying the public interest test to this information, I have considered the presumption in favour of disclosure, and I acknowledge that there is some interest in the internal workings of government with respect to how officials arrive at the recommendations they make to Ministers. On the other hand, release of this information would have an adverse effect on the government's ongoing relationship with GFG Alliance and may weaken the Government's ability to obtain the best outcome for the state with respect to the Whyalla Steelworks. It would not be in the public interest for advice and deliberation of this nature to be made public as release may advantage GFG Alliance in any ongoing or future negotiations with the Government for financial support. It is for this reason I have refused release of this information pursuant to clause 9(1) to the Act.

Additionally, sections deemed out of scope of your application have been removed from documents 2–4 and 8.

Document refused in full

Document 7 contains information concerning the business, professional, commercial or financial affairs of GFG Alliance. The detailed information on GFG Alliance has significant commercial value to GFG Alliance both at large and, more specifically, in the sense that such information, which is not publicly available, may impact GFG Alliance's commercial transactions or dealings with other entities. The details of the commercial and financial strategies and affairs provided are highly commercially sensitive and could cause real and immediate impacts to GFG Alliance if disclosed.

In applying the public interest test, I have considered the objects of the Act, which favour release. I have also considered the significant degree of public interest in the operation of the Whyalla Steelworks, the involvement of GFG Alliance in it, and the potential expenditure of state funds. However, it is not in the public interest that those engaging with the state government be deterred by the threat of information being disclosed from having full and frank exchanges of information to assist in Government decision making. Additionally, insofar as the release of this information could adversely affect GFG Alliance's commercial interests and ability to conduct its business, such adverse impacts would also affect the interests of the state, given the strong public interest in the continued viability of the steelworks. Finally, the disclosure of this information may deter other commercial entities being willing to invest in the state where doing so involved sharing commercially sensitive information that may present an inaccurate, incomplete or superseded picture. It is for these reasons I have determined to exempt this information pursuant to clause 7(1)(c) of the Act.

Clause 6 – Documents affecting personal affairs

(1) A document is an exempt document if it contains matter the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Clause 7 – Documents affecting business affairs

(1) A document is an exempt document—

...

(c) if it contains matter—

(i) consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and

(ii) the disclosure of which—

(A) could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and

(B) would, on balance, be contrary to the public interest.

Clause 9 – Internal working documents

(1) A document is an exempt document if it contains matter—

(a) that relates to—

- (i) any opinion, advice or recommendation that has been obtained, prepared or recorded; or
- (ii) any consultation or deliberation that has taken place, in the course of, or for the purpose of, the decision-making functions of the Government, a Minister or an agency; and

(b) the disclosure of which would, on balance, be contrary to the public interest.

FOI Disclosure Log

In compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), DPC is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DPC website. A copy of PC045 can be found at the following address: <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars> Please visit the website for further information.

Right to internal review

If you are aggrieved with this determination, you have a right to apply for internal review under subsection 29(1) of the Act. Pursuant to subsection 29(2), your application must:

- be in writing
- be addressed to the principal officer, and
- be lodged at an office of DPC, or emailed to DPCFOIUnit@sa.gov.au within 30 days after the day on which you receive this letter or within such further time as the principal officer may allow.

If you have any questions in relation to this matter, please contact Denise Cranwell, Freedom of Information Officer, on 8429 5299 or at denise.cranwell@sa.gov.au.

Yours sincerely



Eamonn Maloney
ACCREDITED FOI OFFICER

Encl Document schedule
Documents for release

SCHEDULE OF DOCUMENTS – 20/0341

Freedom of information application from Rebecca Puddy, ABC News, seeking access to *Correspondence between the Premier / Premier's Office and Ian Smith regarding financial support for the Whyalla Steelworks and/or GFG Alliance since March 2018 - Advice to the Premier / Premier's Office regarding a request for financial support for the Whyalla Steelworks and/or GFG Alliance since March 2018.*

No.	Date	Document description	Exemption clauses	Released (part/full/refused)
1.	28/02/2019	Email – RE: GFG Alliance – SA Government financial support	Nil	Release in full
2.	01/06/2019	Email – FW: GFG Alliance – Impacts of IPO on Whyalla operations	7(1)(c) – business affairs Sections out of scope	Release in part
3.	12/06/2019	Email – RE: GFG / Whyalla	6(1) – personal affairs 7(1)(c) – business affairs 9(1)(a)(i) – opinion or advice Sections out of scope	Release in part
4.		Email – FW: Steel Task Force: Advice of meeting on 14 June with GFG Representatives Attachment to document 3	6(1) – personal affairs Sections out of scope	Release in part
5.	01/08/2019	Email – Commercial in Confidence - GFG	6(1) – personal affairs	Release in part
6.		Ministerial Briefing – D19085446 Attachment to document 5	6(1) – personal affairs 7(1)(c) – business affairs	Release in part
7.		SA Government and GFG Alliance workshop (presentation) 29 July 2019 Attachment to document 5	7(1)(c) – business affairs	Refuse in full
8.	10/08/2019	Email – Re: Correspondence from Minister Andrews	6(1) – personal affairs Sections out of scope	Release in part

From: De Gennaro, Gino (DTF)
Sent: Thursday, 28 February 2019 8:46 AM
To: Yeeles, Richard (DPC)
Subject: RE: GFC Alliance - SA Government financial support

Richard

Thanks

I will raise with the Treasurer.

Gino

From: Yeeles, Richard (DPC)
Sent: Thursday, 28 February 2019 6:49 AM
To: De Gennaro, Gino (DTF) <Gino.DeGennaro@sa.gov.au>
Subject: GFC Alliance - SA Government financial support

Gino

Hi

In mid-January I was advised by Jason Schell of the GFC Alliance that the Alliance wanted to begin engagement with the Government about how it could access the \$50 million of support for the Whyalla Steelworks originally committed by the Weatherill Government in mid-2016.

Jason, who I have known for more than 20 years since our days together at WMC, sought some advice about who in government GFC should initiate discussions with.

I made the Treasurer aware of this. He said he would discuss with the Under Treasurer to first get an understanding about what conditions the former Government had attached to the funding. He also asked me to advise Jason that this Government would want to be able to point to some tangible benefits to the State from provision of the funds.

I told Jason that and I also advised he would be contacted again when the Government had decided how it intended to progress the matter.

As it's now a month since these discussions with Jason is there anything more I or the Treasurer's Office can tell him at this stage about how the Government intends to proceed?

I am happy to continue to liaise with Jason but believe it would be preferable for this to be done by your office or Treasury.

Richard

Yeeles, Richard (DPC)

Out of Scope



From: Bruce Carter

Sent: Saturday, 1 June 2019 4:35 PM

To: Mastrangelo, Joe (DEM) <Joe.Mastrangelo@sa.gov.au>

Cc: Finlay, Tom (AGD) <Tom.Finlay@sa.gov.au>; Heithersay, Paul (DEM) <Paul.Heithersay@sa.gov.au>; Cantley, Kevin (DTF) <Kevin.Cantley@sa.gov.au>; Bradshaw, Peter (DEM) <Peter.Bradshaw@sa.gov.au>; Thomas, Rob (DEM) <Rob.Thomas2@sa.gov.au>; Grant, Carolyn (DEM) <Carolyn.Grant@sa.gov.au>; Kokotis, Shane (DEM) <Shane.KOKOTIS2@sa.gov.au>; Brown, Owen (DEM) <Owen.Brown@sa.gov.au>

Subject: RE: GFG Alliance - Impacts of IPO on Whyalla operations [AU-PERSONAL.FID230]

Dear All

Out of Scope



Out of Scope

7(1)(c) Business affairs

Apart from a decision on the letter we need to decide whether we do the DD on the transformation proposal and the bridge to get there which I recommend we do

We can discuss on the Monday meeting.

Regards
Bruce

Yeeles, Richard (DPC)

From: Mastrangelo, Joe (DEM)
Sent: Wednesday, 12 June 2019 1:01 PM
To: Kelly, Dominic (DEM)
Cc: Bruce Carter; Heithersay, Paul (DEM); Cantley, Kevin (DTF); Grant, Carolyn (DEM); Bradshaw, Peter (DEM); Zammit, Ben (DEM); Yeeles, Richard (DPC); McDowell, Jim (DPC); Grant, Carolyn (DEM)
Subject: RE: GFG / Whyalla
Attachments: Steel Task Force: Advice of meeting on 14 June with GFG representatives - technical and commercial review of Whyalla Transformation

Dom

Yes – refer attached for further detail re scheduled meeting with GFG.

CoA may suggest an additional representative.

Please advise if you would like to attend or we can brief Richard and you of outcomes as we progress.

Joe

Out of Scope



Out of Scope



Sent from my iPhone

On 12 Jun 2019, at 11:52 am, Bruce Carter <bruce.carter@cct.company> wrote:

Dear All

Please find below a self explanatory email from **6(1) Personal affairs**

9(1)(a)(i) Opinion or advice

6(1) was quite clear in his separate discussions with **6(1)** and I what GFGs position was

Out of Scope

7(1)(c) Business affairs

9(1)(a)(i) Opinion or advice

We agreed that Friday was an important next step. I said Pauls letter will likely arrive soon

Regards
Bruce

Bruce Carter

M: **6(1) Personal affairs**

Please note that from Friday 14 June my new email address: bruce.carter@cct.company

Out of Scope

Out of Scope



Out of Scope

Subject: FW: Steel Task Force: Advice of meeting on 14 June with GFG representatives - technical and commercial review of Whyalla Transformation

Out of Scope

From: Grant, Carolyn (DEM) <Carolyn.Grant@sa.gov.au>

Sent: Tuesday, 11 June 2019 4:51 PM

To: 'bruce.Carter@fh.com.au' <bruce.Carter@fh.com.au>; 6(1)

6(1) Personal affairs Bradshaw, Peter (DEM)

<Peter.Bradshaw@sa.gov.au>; Brown, Owen (DEM) <Owen.Brown@sa.gov.au>; Bruce Carter <bruce.carter@cct.company>; 6(1) Personal affairs

6(1) Personal affairs Heithersay, Paul

(DEM) <Paul.Heithersay@sa.gov.au>; 6(1) Personal affairs

Mastrangelo, Joe (DEM) <Joe.Mastrangelo@sa.gov.au>; Cantley, Kevin (DTF)

<Kevin.Cantley@sa.gov.au>; Kokotis, Shane (DEM) <Shane.KOKOTIS2@sa.gov.au>; 6(1)

6(1) Personal affairs

6(1) Personal affairs Thomas, Rob (DEM)

<Rob.Thomas2@sa.gov.au>; 6(1) Personal affairs

Subject: Steel Task Force: Advice of meeting on 14 June with GFG representatives - technical and commercial review of Whyalla Transformation

Dear Steel Task Force representatives

For your information:

Please be advised that following today's teleconference with 6(1) a meeting has been scheduled for **Friday morning 14 June, 9am-11am** at DEM offices, to enable attendees to discuss the technical and commercial aspects of the proposed Whyalla Transformation.

It has been agreed that a small group be in attendance, due to the sensitive nature of the discussions.

Attendees at this meeting will be:

STF representatives

Joe Mastrangelo (DEM)

6(1) Personal affairs

Carolyn Grant (DEM)

GFG representatives

6(1) Personal affairs



6(1) – please advise if you would like another Commonwealth representative to be in attendance.

If you have any queries regarding the above, please contact me or Joe Mastrangelo 6(1) email Joe.Mastrangelo@sa.gov.au

Kind regards
Carolyn

Carolyn Grant
Senior Project Officer

Resources Infrastructure and Investment Task Force
Department for Energy and Mining

T +61 (8) 8429 3369
E: carolyn.grant@sa.gov.au

GPO Box 320, ADELAIDE, SA 5001
Level 8, 11 Waymouth Street, ADELAIDE SA 5000

cid:image001.png@01D608F8.061C06E0



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Said, Danielle (DPC)

From: Kelly, Dominic (DEM)
Sent: Thursday, 1 August 2019 10:51 AM
To: Armanas, Paul (DPC)
Subject: Commercial in Confidence - GFG
Attachments: DEM Ministerial Briefing GFG July 29 - FINAL VERSION.DOC; Attachment 1 - GFG Presentation Part 1 FINAL VERSION.PDF; Attachment 1 - GFG Presentation Part 2 FINAL VERSION.PDF

FYI,

Dominic Kelly
Chief of Staff
Office of the Minister for Energy and Mining

Level 17, 25 Grenfell Street, Adelaide 5000

6(1) Personal **affairs** **E:** dominic.kelly@sa.gov.au | **W:** www.premier.sa.gov.au

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TO: MINISTER FOR ENERGY AND MINING

SUBJECT: GFG ask for Government Guarantee

Decision/Action required by:	For noting
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Business Unit	RIITF		
Prepared by	Rob Thomas Chief Scientific Advisor (ext.....)RT..... <i>initial</i>	31/07/19 <i>date</i>
Director	Peter Bradshaw	... <i>initial</i>	31/07/19 <i>date</i>
Endorsed by	Chief Executive <i>initial</i> <i>date</i>

6(1) Personal
affairs

RECOMMENDATION

It is recommended the Minister:

- Note** the attached briefing.

Approved/Not Approved/Noted

- Note Attachment 1** (SA Government and GFG Alliance workshop (presentation) 29 July 2019).

Approved/Not Approved/Noted

.....

Hon Dan van Holst Pellekaan MP
Minister for Energy and Mining

Date:

Comment

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.....



PURPOSE

- To provide an overview of and advice on, the outcomes of a recent presentation by GFG Alliance (GFG) and a forthcoming letter to you, with a request from GFG for a guarantee for the proposed transformation plan / investment.

BACKGROUND

- GFG Liberty Steel (Liberty) is currently producing 1.1 mtpa of steel at Whyalla and is suffering significant, unsustainable financial losses.
- In order to survive and grow as a business, they need to increase production, improve efficiency and reduce costs.
- A CRU report has shown that Liberty's production cost is approximately US ⁷⁽¹⁾(c) tonne and they need to below US ⁷⁽¹⁾(c) tonne to be competitive.
- The company also needs to diversify its production capabilities, increase operational flexibility and market penetration for its steel products.
- Since being purchased by GFG, there have been numerous discussions with the State Government Steel Task Force to understand their preferred steelworks transformation plan, business model and where the Government can provide support.
- However, these discussions have not provided certainty, as GFG has been unable to settle on a clear forward plan or provide sufficient information for due diligence by Government.
- More recently, under the leadership of Theuns Victor, a stronger GFG team has emerged and a clearer technical strategy developed.
- On 29 July, GFG scheduled a workshop with the State and Commonwealth government representatives to enable a review and discussion of information provided to both governments for due diligence purposes.
- However, without prior notification, this workshop included a presentation by GFG on its proposed options for future investment and intended request for support from Government (State and Commonwealth).
- **7(1)(c) Business affairs**

KEY POINTS

- Under the information presented on 29 July, in order to be competitive, the Whyalla steelworks needs greater production capability and flexibility which would enable it to:
7(1)(c) Business affairs



- To achieve this outcome:

7(1)(c) Business affairs

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-

7(1)(c) Business affairs

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OPTIONS



7(1)(c) Business affairs

CONSULTATION

- At this stage, the consultation has been deliberately restricted to the members of the Steel Task Force, DEM CE and the Minister.

ATTACHMENTS

- Attachment 1: SA Government and GFG Alliance workshop (presentation) 29 July 2019

Out of Scope



Out of Scope



From: Yeeles, Richard (DPC) <Richard.Yeeles@sa.gov.au>
Sent: Saturday, 10 August 2019 2:55 PM
To: Heithersay, Paul (DEM) <Paul.Heithersay@sa.gov.au>
Cc: Kelly, Dominic (DEM) <Dominic.Kelly@sa.gov.au>; Bruce Carter <bruce.carter@cct.company>
Subject: Re: Correspondence from Minister Andrews to [REDACTED]
[SEC=UNCLASSIFIED]

6(1) Personal affairs

Paul
Hi
Thanks for this
A meeting was scheduled for Monday but has now been cancelled by GFG

Richard

Sent from my iPhone

On 10 Aug 2019, at 1:29 pm, Heithersay, Paul (DEM) <Paul.Heithersay@sa.gov.au> wrote:

Richard
You may want to socialise this with the Premier
6(1) [REDACTED] is meeting the Premier this week
Attached is the joint letter from the SA government and Federal Government to 6(1) [REDACTED] to manage expectations prior to GFG sending a letter seeking support from state and federal governments for the WHYALLA transformation

Regards
Paul

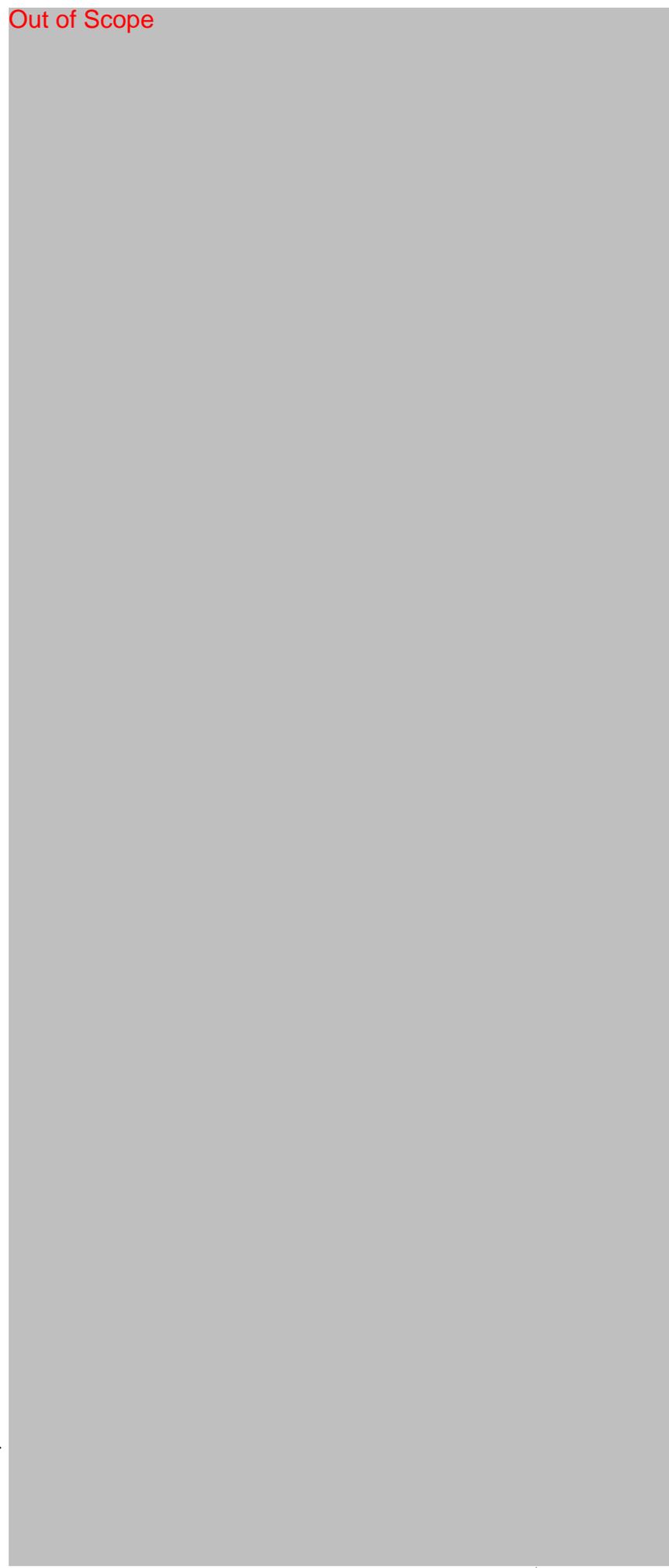
Sent from my iPhone

Begin forwarded message:

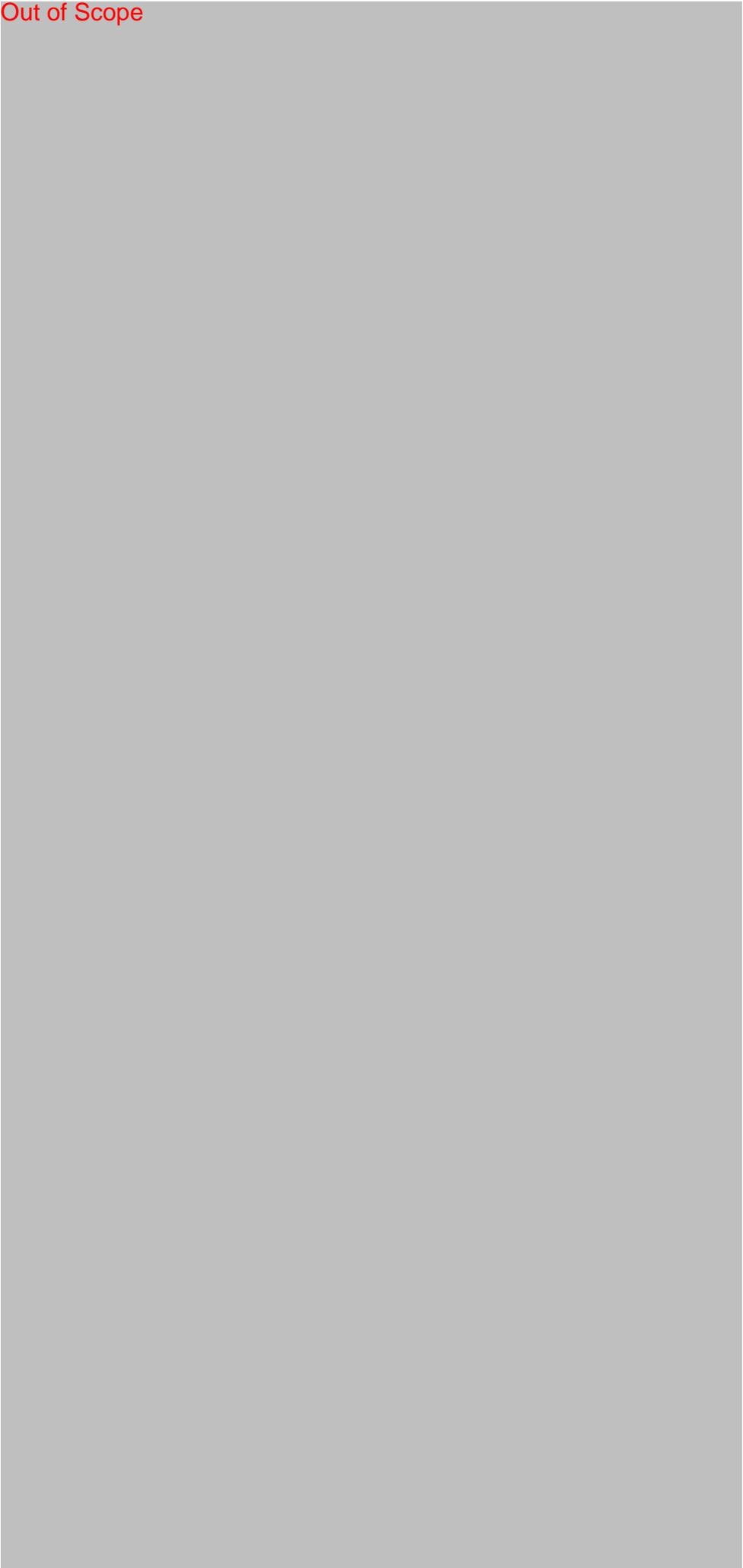
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