Safeguard submission into import of fabricated structural steel

Business Overview

Company name:

Location of operations: Southeast Queensland **Size of**

business:

- Annual turnover: $27,000,000 in 2024 / 2025, down from $31,680,000 in 2023 / 2024 and $29,052,000 in 2022 / 2023
- Number of employees: 51
- Approximate annual production volume: 3,100 tonne per year

Products manufactured with relevant tariff code classifications:

- Angles/Sections (7216)
- Structural Steel (7308)
- Steel Plate (7208/7211)

Exposure to import competition:

- Approximate percentage of revenue exposed to direct import competition: 80%
- Key customer segments: Fabrication and installation of structural steel for Commercial and Government projects including but not limited to schools, shopping centres, service centres / mixed use, medical centres and industrial sheds.

Evidence of an Import Surge

Market observations

First started to observe imported fabricated steel impacting our Company approximately 3 years ago. This has increased notably in the past 18 months.

Our Suppliers have also reached out voicing their concerns of being affected. Suppliers include draftspersons, steel, welding consumables and fasteners to name a few.

Lost contracts or market share

Confidential - Refer Appendix for a sample of contracts lost to overseas steel fabricators over the past 12 months.

Refer Appendix showing email evidence from Builders advising our pricing was competitive in the local market however lost to an overseas fabricator.

Our company has diversified our business to keep our 51 employees busy by accepting smaller jobs we would not have gone for the past. This work is often more demanding and less profitable.

Pricing impacts

we are regularly asked by builders to lower our price to be competitive with imported steel.

We are told by builders they would prefer to work with an Australian fabricator; however, this would put us below cost and is not feasible. This pressure has been experienced over the past 18 months.

Rather than wasting our energy in pricing jobs for Builders who are renowned for choosing imported steel, we have shifted our behaviour to be selective when deciding who we price.

Final thoughts

The business has been a steadily growing business since 2006. This year we celebrate our 20-year anniversary.

Since 2006, we have outgrown two different premises and are now in a sophisticated workshop with modern equipment.

Our workforce is paid above Award wages and have a low turnover of workers.

In the past 5 years, has invested approximately $5 millions dollars in its future growth. Expanding our fleet to include mobile crane, prime mover, semi-trailer and installation of modern fabrication equipment to see us into the next 20 years of business.

The future however is now uncertain and our further growth plans are on hold. We are instead evaluating how we might reduce our footprint of the industry continues down its current path.