

# Weldlok Industries Pty Ltd

## Submission to the Productivity Commission

*Safeguard Inquiry into Fabricated Structural Steel Products*

Steel Grating and Handrail — Mining, Infrastructure and Commercial Sectors

April 2025

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### 1. Executive Summary

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Weldlok Industries Pty Ltd (Weldlok) submits this document in response to the Productivity Commission's safeguard inquiry into certain fabricated structural steel products, specifically steel grating and handrail used in access systems across Australia's mining, infrastructure and commercial sectors.

Weldlok submits that the surge in imported steel grating and handrail has caused serious injury to the Australian domestic industry — and, if left unaddressed, threatens to cause further serious injury. [REDACTED]

A structural inequity has also emerged across the steel value chain. Hot rolled coil (HRC) — the raw material used by Australian manufacturers like Weldlok to produce grating — has become subject to trade remedies following the Preliminary Affirmative Determination in Investigation 658. Yet finished steel grating and handrail manufactured overseas from the same underlying steel continues to enter the Australian market freely, undercutting local producers. This asymmetry is commercially untenable and undermines the intended effect of upstream trade measures.

Key submission: Safeguard action is warranted. Any measure must address both direct import volumes and the value-chain imbalance created by the application of trade remedies upstream (hot rolled coil) while leaving finished downstream products unprotected.

## 2. About Weldlok Industries

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Weldlok Industries Pty Ltd is an Australian-owned manufacturer with over 40 years of continuous operation supplying the mining and infrastructure sectors. The business manufactures steel grating and handrail using Australian steel — including BlueScope hot rolled coil — and distributes nationally from manufacturing and warehouse facilities in five states.

### Company Details

- ABN: 58-000-175-379

[REDACTED]

[REDACTED]

- HS Tariff Classifications: 7308.90.00 57 | 7308.90.00 59 | 7308.90.00 60 | 7308.90 00 70 | 7308.90.00 90

### Operational Footprint

- Brendale QLD 4500 — Distribution Warehouse
- Yagoona NSW 2199 — Manufacturing and Distribution Warehouse
- Derrimut VIC 3026 — Distribution Warehouse
- Derwent Park TAS 7009 — Distribution Warehouse
- Belmont WA 6104 — Manufacturing and Distribution Warehouse

## 3. Product Description and Domestic Industry

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The goods the subject of this submission are steel handrail and grating manufactured for use in mining, infrastructure and commercial applications. These products are engineered access solutions — platforms, walkways, stair treads and perimeter barriers — and compete directly with identical or functionally equivalent products manufactured overseas and imported into Australia.

Weldlok has supplied these products to the Australian market for more than 40 years. Its manufacturing operations in Sydney and Perth use locally sourced Australian steel, including BlueScope hot rolled coil, as the primary raw material input. The company maintains a national distribution network to supply customers across all major resource and infrastructure markets.

Examples of some of Weldlok's products and their application is shown below.

Handrail and Stair Treads

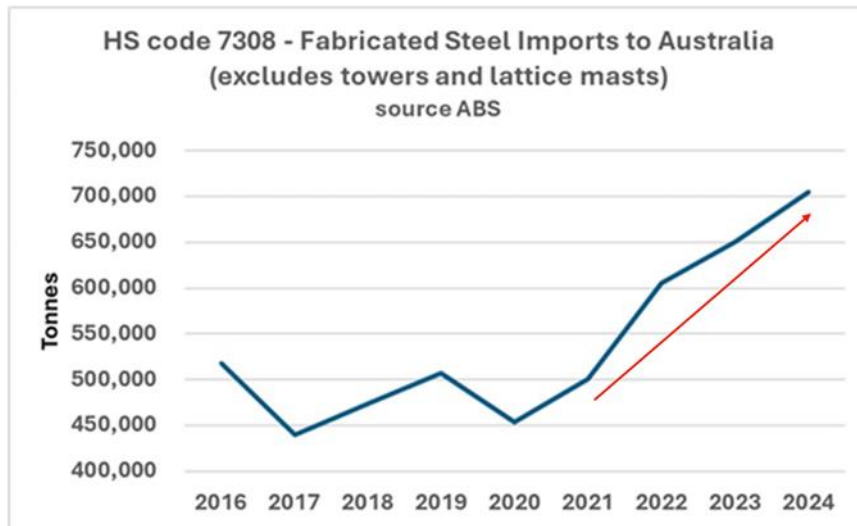


Mild Steel Grating



## 4. Increased Imports and Serious Injury

- Data from the ABS clearly shows the surge in imported fabricated steel products. This has been at the expense of local manufacturers such as Weldlok.



50% increase since 2020

## 5. Causation

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Weldlok submits that the injury described above is causally connected to the increase in imported fabricated steel products. Several lines of evidence support this submission.

### Market Growth Without Domestic Benefit

Weldlok uses BIS Oxford Economics data to forecast market conditions. Current predictions point to sustained growth of 7% or more across the next four quarters — driven by activity in the mining and infrastructure sectors. This growth is not being captured domestically. [REDACTED]

### Offshore Project Delivery

A clear and growing trend has emerged in which projects — historically awarded with meaningful local content requirements — are being executed entirely offshore. Steel components that would previously have been fabricated in Australian facilities are increasingly sourced as finished goods from overseas suppliers, with little to no Australian content.

[REDACTED]

### Global Steel Overcapacity and Chinese Export Surge

The broader international context reinforces this analysis. According to the OECD Steel Outlook 2025, Chinese steel exports reached a record 118 million tonnes in 2024. The OECD also reports that China's subsidisation rate — as a share of firm revenues — is approximately ten times that of OECD member countries, sustained through government grants, below-market borrowing, subsidised energy prices and preferential tax treatment. This structural cost advantage allows Chinese-origin steel products to be landed in Australia at prices that domestic manufacturers — operating without equivalent subsidies and with Australian input costs — cannot match on a level commercial basis.

## 6. Threat of Further Serious Injury

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The evidence supports a finding not only of existing serious injury but of a credible and foreseeable threat of further serious injury in the absence of relief.

Market forecasts indicate that the Australian mining and infrastructure sectors will see continued demand growth over the near term. In the absence of safeguard action, the risk is that this demand recovery will be captured disproportionately by imported product rather than by domestic manufacturers. Once domestic manufacturing capability is diminished — through workforce attrition, plant closure or the loss of customer relationships — it is difficult and costly to restore.

The threat is structural, not merely cyclical. Chinese and other offshore producers benefit from sustained government subsidisation that will not self-correct through normal market mechanisms. Australian manufacturers competing without equivalent support face a permanently asymmetric commercial environment unless trade measures address the underlying distortion.

## 7. Broader Economic and Social Impact

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The impact of the import surge extends beyond Weldlok' s own financial performance. It has material consequences for the broader Australian supply chain and the communities in which Weldlok operates.

### Supply Chain Effects

Weldlok' s operations are supported by a network of Australian suppliers providing consumables, freight and logistics services, trade labour and other inputs. A decline in Weldlok' s output directly reduces purchasing from these suppliers — multiplying the economic effect of import displacement across the domestic economy.

### Skills and Workforce

Weldlok' s workforce includes skilled tradespeople — boilermakers, welders and related specialists — whose trades are critical to Australian industrial capability. Sustained import pressure reduces demand for these skills and, over time, erodes the pipeline of workers entering these trades. Once a skilled trade workforce is dispersed, it is not quickly or cheaply rebuilt. This represents a long-term industrial capability risk that extends beyond any single company.

### Capital Formation

The decline in profitability driven by import competition directly reduces Weldlok' s capacity — and appetite — to invest in plant, equipment and technology. This is not merely a commercial consequence for Weldlok; it represents a reduction in productive capital formation in Australian manufacturing more broadly.

## 8. Australian Interest

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Safeguard action is in the Australian national interest. The case rests on three interconnected considerations.

First, the maintenance of domestic manufacturing capability in fabricated steel products is a matter of supply chain resilience. Access to locally manufactured structural steel components is important for infrastructure projects — particularly in remote and regional mining locations — where supply chain reliability and lead times are operationally critical. Dependence on imported product introduces sovereign risk that is difficult to quantify in normal market conditions but becomes acute during periods of global supply disruption.

Second, the preservation of skilled trades in Australian manufacturing is a long-term workforce priority that extends beyond the interests of any individual employer. The boiler making, welding and fabrication skills employed by Weldlok underpin a wide range of industrial activities in the resources, construction and defence sectors.

Third, the structural imbalance in the steel value chain must be addressed. Trade remedies have been applied to upstream hot rolled coil (via Investigation 658), but downstream finished grating and handrail manufactured from the same steel overseas remains unprotected. Australian manufacturers bear input cost pressures from trade-remedy-affected HRC while simultaneously competing against imported finished goods that are not subject to equivalent measures. This is commercially inconsistent and undermines the coherence of Australian trade remedy policy.

## 9. Measure Sought

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In the event the Commission recommends safeguard action, Weldlok submits that the form of any measure must be designed to be effective in practice and resistant to circumvention.

### Scope of Measure

The measure should apply to steel grating and handrail under tariff items HS Code 7308.90.00 57, 7308.90.00 59, 7308.90.00 60, 7308.9.00 70 and 7308.90.00 90. The scope should be defined with sufficient breadth to capture the range of product forms currently entering the market — including cut-to-size grating panels, fabricated stair treads, handrail assemblies and pre-welded access systems.

### Anti-Circumvention Provisions

The measure should be explicitly framed to prevent circumvention through tariff reclassification, minor product modification, incomplete assembly, or misleading product descriptions at the border. These are well-documented circumvention techniques in the fabricated steel product context and should be anticipated in the design of any relief.

### Value Chain Calibration

The level of relief sought on finished grating and handrail should be calibrated to achieve practical equivalence with the protection already applied upstream on hot rolled coil under PAD 658. The objective is not to over-protect downstream manufacturers — it is to restore a competitive position across the steel value chain that was coherent before the asymmetric application of trade remedies.

## 10. Conclusion

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The evidence presented in this submission demonstrates a clear and material causal connection between the surge in imported fabricated steel products — particularly grating and handrail — and the serious injury experienced by Weldlok and the broader Australian domestic industry.

Weldlok has operated as a committed Australian manufacturer for over 40 years, using Australian steel and employing Australian tradespeople. The current import environment — characterised by structurally subsidised overseas production and an asymmetric application of trade remedies across the steel value chain — has placed that business and those jobs under severe pressure.

Safeguard action is warranted, appropriate and in the Australian national interest. Any measure recommended by the Commission should:

- Apply across the relevant tariff classifications and be robust against circumvention.
- Be calibrated so that protection afforded to finished grating and handrail is practically consistent with protection already applied upstream to hot rolled coil; and
- Be designed with sufficient duration to allow domestic industry to stabilise, invest and restore competitive viability.

Weldlok welcomes the opportunity to provide additional evidence, appear before the Commission, or engage further with any aspect of this submission.

## Sources and References

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- OECD Steel Outlook 2025 — Chinese steel exports and global steel-sector subsidisation data
- Anti-Dumping Commission, Existing Policy Review (EPR) 658 — Hot Rolled Coil Steel from China
- Australian Bureau of Statistics — Trade statistics, HS codes 7308.90.00 57, 7308.90.00 59, 7308.90.00 60 and 7308.9.00 70 and 7308.90.00 90.
- BIS Oxford Economics — Australian construction and mining market forecasts
- World Steel Association — Global capacity and trade data