

**Fabricated structural steel safeguards inquiry
Productivity Commission
Canberra**

I have worked in the Australian Steel industry for over 20 years. I have worked across various production and market facing roles at both BlueScope Steel and OneSteel Manufacturing.

My current role, I am accountable for sales, service, logistics, and quality of structural steel beams produced and are supplied into the Victorian and Tasmanian markets. My main dealings are with the Whyalla steel mill, steel distributors in Victoria and Tasmania, and logistics providers.

I am not a steel fabricator, I will answer the questions at a high level from a steel bar manufacturing perspective – data is available on request.

1. Have imports of the relevant steel products* increased?

My observations are that demand for locally milled structural steel has varied dramatically in the past 5 years. When imported product is harder to procure, the Victorian and Australian Steel supply chain (Steel mill, logistics network, distribution channels) expands to accommodate domestic Australian requirements – this was very evident during covid years. Over the past 5 years foreign steel products have become readily available at very low cost and hence demand for domestically manufactured steel bars in Vic/Tas has contracted significantly (data available on request).

Anecdotally market segments that appear to be particularly exposed

- Structural steel sections (UB,UC,PFC)
- Steel posts for solar farms
- Pre galvanized retaining wall posts

- Pre galvanized lintels
- Large scale infrastructure projects (mining, gas)
- Large scale infrastructure projects (domestic infrastructure)
- Factory and warehouse framing

2. What are the causes of any changes in imports of the relevant steel products?

Anecdotally it would appear the causes of change are a result of very low-costed goods becoming readily available from larger foreign markets that have significant surplus capacity.

Australia by global standards is a smaller steel market with relatively high fixed and variable costs of production and distribution. When international freight and delivery is more marginal on a project, domestic manufacture can be undercut by foreign suppliers.

3. Has the domestic industry suffered serious injury, or is there a threat of serious injury?

Yes – The domestic industry depends on regular volume and critical mass to maintain continuity of supply of cost competitive goods. When imported steel displaces domestic demand there is no viable export demand to replace the lost sales and cover industry overheads, hence industry overheads increase. Overheads and fixed costs in steel production and distribution are significant, scalability of large assets is very challenging, if large assets are not utilized efficiently steel production, and delivery of steel in Australia becomes unsustainable, particularly from a manufacturing perspective.

4. Have increased imports caused the serious injury?

Yes – Imported supply into the Australian market is displacing demand for domestic produced goods, this has had impacts on the capacity utilization of Whyalla steel mill, however also for many of our suppliers and customers that depend on regular volume to remain profitable and cover overheads.

Often imported steel is delivered in bulk, when this occurs domestic suppliers are idled or diverted to accommodate the imports, these challenges damage ongoing operational effectiveness of the industry as scalability has a considerable cost.

5. If safeguard measures are justified, what sort of measure should be put in place?

Australia welcomes fair competition and open markets, however, there needs to be significant consideration given to the economic, social and community benefits and opportunities that the steel fabrication and steel manufacturing economy provides the Australian community

over that of imported fabricated steel or imported steel. The Australian steel industry adds significant value to products under higher economic, regulatory and environmental constraints than many of our foreign competitors. I would suggest a measure that considers the domestic value addition done by and done for our communities.

6. Is a safeguard measure in the public interest?

Having a viable steel fabrication industry from mine to customer is undoubtedly in the best public interest – We all benefit from having this productive and capable industry that can service markets under all conditions. Councils, home builders, commercial builders, infrastructure projects, mine sites all benefit in having this domestic industry that can respond with agility when steel products are required, not only if there is spare export capacity available from foreign sources.

Thank you for reading my submission