



BlueScope Steel Limited

Submission to the Productivity Commission – Fabricated Structural Steel Safeguards Inquiry

Date: 20 April 2026

Executive Summary

BlueScope Steel Limited (**BlueScope**) supports the adoption of effective trade measures to address injurious import surges and structurally distorted trading conditions in imported fabricated structural steel. In that context, BlueScope supports the use of safeguard action, including provisional measures where warranted, as an appropriate response to current circumstances and a means of preventing further injury to Australia's domestic fabrication industry and associated critical manufacturing capability.

BlueScope supports free and fair trade conducted in accordance with Australia's World Trade Organization (**WTO**) obligations. Current global steel market conditions, however, are characterised by persistent excess capacity, extensive government intervention, and widespread trade distortions, which are contributing to increased import pressures in downstream steel products, including fabricated structural steel. In these circumstances, the WTO safeguards framework provides an established mechanism for responding to injurious import surges, allowing temporary relief where statutory thresholds are met while remaining consistent with an open and rules-based trading system.

Evidence submitted to the Commission, including submissions from BlueScope and other industry participants, indicates sustained growth in imports of fabricated structural steel, displacement of domestic fabrication activity, observable injury within the domestic fabrication segment, and corroborating upstream demand impacts experienced by Australian steel suppliers. Taken together, this evidence indicates that recent import growth has translated into reduced domestic fabrication throughput and diminished demand for domestically produced steel inputs. On that basis, the evidence supports a conclusion that these imports have been a material cause of serious injury to the domestic fabricated structural steel industry, or alternatively that the conditions for a clearly imminent threat of serious injury are present. The public record identifies objective indicators, including capacity exit, skills attrition and deferred investment, which are difficult to restore once lost.

The effects of this injury extend beyond individual firms and engage broader public interest considerations, including the resilience and sustainability of Australia's steel and fabrication capability. These considerations align with the Australian Government's Future Made in Australia agenda, which emphasises strengthening domestic manufacturing capability and supply chain resilience in sectors critical to Australia's economic security, while remaining consistent with Australia's international trade commitments.

Although BlueScope is not a producer of fabricated structural steel as defined in the Terms of Reference, it operates as an upstream manufacturer of flat steel products and supplies steel inputs to Australian fabricators and downstream manufacturers, primarily through steel distributors. BlueScope is therefore directly affected when increased imports of fabricated structural steel displace domestic fabrication activity in a manner that causes or threatens serious injury. This displacement also reduces demand for Australian-made steel inputs supplied to the domestic fabrication segment as local fabricators lose work to imported fabricated assemblies and structures. BlueScope is also materially affected by the broader impact of such import-related injury on the viability, utilisation and investment capacity of domestic steel fabricators, the resilience of downstream supply chains, and the long-term sustainability of Australia's steel and fabrication ecosystem.

In these circumstances, the effectiveness of any safeguard measures is materially influenced by their timing and by whether they directly address the volume and price effects of the import surge. Timely and appropriately calibrated measures are therefore necessary to prevent further damage that would be difficult to reverse and to preserve the conditions required for meaningful adjustment by the domestic industry.

Any safeguard action recommended by the Commission should be calibrated to the circumstances of the surge and include a tariff-rate quota set at pre-surge import levels, with imports above that quota subject to an additional tariff. Industry evidence summarised in this submission indicates that an out-of-quota tariff in the order of 50 per cent would be expected to be sufficient to address the observed price differential between imported fabricated structural steel and domestically supplied equivalents, based on observed transaction pricing and industry cost structures. Such an approach would also be broadly comparable to safeguard or import-management measures adopted in jurisdictions including the European Union and the United States, thereby limiting the risk of trade diversion.

Consistent with the Commission's guidance, this submission is evidence-based and focuses on objective and observable indicators. Where BlueScope cannot directly respond to a question because it does not operate fabrication facilities, the submission explains that limitation and identifies relevant upstream and downstream evidence to assist the Commission's assessment.

1. BlueScope's Interest in the Inquiry

1.1 BlueScope's role in the steel value chain

BlueScope is a major Australian steel manufacturer producing flat steel products, including hot rolled, plate, cold rolled, metallic coated and painted steel, as well as flat bar sections and welded structural beams and columns. These products are supplied to a broad range of domestic customers, including steel fabricators that manufacture fabricated structural steel for use in construction, infrastructure, mining, manufacturing and defence applications.

BlueScope does not fabricate structural steel products falling within the tariff codes under investigation and does not compete directly with imported fabricated structural steel. However, as an upstream supplier to the domestic fabrication sector, BlueScope is economically exposed where increased imports displace domestic fabrication throughput and reduce fabricators' demand for Australian-made steel inputs supplied into the domestic fabrication segment.

1.2 Nature and seriousness of BlueScope's exposure

BlueScope's exposure to the surge in imported fabricated structural steel arises from the industry wide and compounding effects of reduced domestic fabrication activity, including:

- displacement of domestic fabrication activity and resulting reduced demand for Australian-made steel inputs;
- lower capacity utilisation and declining investment confidence among domestic fabricators;
- loss of skilled fabrication capability and associated employment that is difficult to replace; and
- increased long-term supply chain risk if domestic fabrication capability is permanently eroded.

These impacts are observable through upstream demand indicators and customer behaviour and are directly relevant to the Commission's assessment of serious injury, threat of serious injury, causation and the public interest.

2. Context: Global Steel Trading Conditions

Global steel trading conditions provide critical context for this inquiry and support the conclusion that the surge in imported fabricated structural steel reflects unforeseen developments within the meaning of the WTO safeguards framework.

2.1 Persistent global excess capacity

International analysis demonstrates that global steel markets are increasingly characterised by structural oversupply. The Organisation for Economic Co-operation and Development's (OECD) *Steel Outlook 2025* concludes that excess steelmaking capacity remains entrenched and is projected to persist absent significant policy intervention. Despite weak global demand growth, capacity additions, particularly in Asia, continue to outpace rationalisation, placing sustained downward pressure on prices and encouraging export-oriented strategies by surplus producers.¹

The OECD's website states that "*Excess capacity is a persistent and growing problem in the steel sector. Current trends suggest that it could increase to 721 million tonnes by 2027*".²

Further, the OECD Steel Committee noted in its November 2025 statement that global steel excess capacity was increasing at its fastest pace since the 2009 global financial crisis.³

The OECD further observes that excess capacity heightens the risk of sudden trade diversion, as surplus production is redirected into economies with relatively open trade settings, such as Australia.⁴

2.2 Findings of the Global Forum on Steel Excess Capacity

The OECD-hosted Global Forum on Steel Excess Capacity (GFSEC) provides more granular monitoring of these dynamics. Its *Steel Excess Capacity Monitoring Bulletin* (October 2025) reports that global excess capacity increased by approximately 5.6 per cent in the first half of 2025, while global steel exports rose by around 3 per cent over the same period, largely in response to surplus capacity.⁵

The October 2025 GFSEC bulletin notes that export growth has been driven predominantly by jurisdictions with substantial state involvement in steel production and that the redirection of excess output has materially increased import penetration in a range of trading partners.⁶

¹ Organisation for Economic Co-operation and Development (OECD), *OECD Steel Outlook 2025*, May 2025.

https://www.oecd.org/en/publications/oecd-steel-outlook-2025_28b61a5e-en.html

² OECD website Key Messages: Address the global steel excess capacity problem <https://www.oecd.org/en/topics/sub-issues/steel.html>

³ OECD Steel Committee, *Statement of the 98th Session*, 4–5 November 2025. <https://www.oecd.org/en/about/news/speech-statements/2025/11/98th-session-of-the-steel-committee-statement-by-the-vice-chairs.html>

⁴ Ibid

⁵ OECD Global Forum on Steel Excess Capacity, *Steel Excess Capacity Monitoring Bulletin*, October 2025.

<https://www.steelforum.org/content/dam/steel-forum/en/publications/20251002%20-%20GFSEC%20Steel%20Excess%20Capacity%20Monitoring%20Bulletin.pdf>⁶ Ibid

⁶ Ibid

The most recent GFSEC *Steel Excess Capacity Monitoring Bulletin* (February 2026) presents an overview of, and recent developments in, excess capacity trends up to the end of 2025. This notes “*The period was characterised by a worsening global excess capacity problem due to new capacity additions and declining demand, surging exports, declining prices, and a rise in trade actions*”.⁷ It also notes that global excess steel capacity increased by a further 1.4% in Q3 2025 to 179.6 million tonnes for the quarter, largely due to weak demand with capacity largely unchanged.⁸

2.3 Role of industrial policy and subsidisation

The persistence of global excess steel capacity is closely linked to industrial policy settings, particularly in China. The International Monetary Fund (IMF) estimates that cash subsidies, tax concessions, subsidised credit and subsidised land allocated to favoured sectors in China amount to a fiscal cost equivalent of around 4 per cent of GDP per year.⁹

The IMF finds that these policies contribute to significant misallocation of resources, encouraging continued investment in capacity even as productivity and profitability decline, with spill-over effects into steel and downstream sectors.¹⁰

2.4 Implications for fabricated structural steel trade

Taken together, these findings demonstrate that the surge in imported fabricated structural steel into Australia has occurred against a backdrop of persistent global excess steel capacity, export-oriented responses by surplus producers, government intervention, heightened trade diversion, and a sharp increase in trade measures globally.

Importantly, global excess capacity is no longer confined to upstream crude steelmaking or semi-finished steel production. OECD analysis indicates that excess capacity and surging exports have increasingly extended into downstream steel-consuming and steel-fabricating sectors, including structural steel fabrication and other manufactured steel products.^{11, 12}

Public evidence points to particularly rapid expansion of downstream steel fabrication capacity in China and Vietnam. OECD and OECD Steel Committee monitoring indicates that, in China, weakening domestic construction demand has occurred alongside continued industrial build-out and record export volumes, with surplus production increasingly channelled into fabricated and

⁷ OECD Global Forum on Steel Excess Capacity, *Steel Excess Capacity Monitoring Bulletin*, February 2026.

<https://www.steelforum.org/content/dam/steel-forum/en/publications/Q1%202026%20GFSEC%20Excess%20Capacity%20Bulletin.pdf>

⁸ Ibid

⁹ International Monetary Fund, *Industrial Policy in China: Quantification and Impact of Misallocation*, IMF Working Paper, August 2025.

<https://www.imf.org/-/media/Files/Publications/WP/2025/English/wpia2025155-source-pdf.ashx>

¹⁰ Ibid

¹¹ Organisation for Economic Co-operation and Development (OECD), *OECD Steel Outlook 2025*, May 2025.

https://www.oecd.org/en/publications/oecd-steel-outlook-2025_28b61a5e-en.html

¹² OECD Global Forum on Steel Excess Capacity, *Steel Excess Capacity Monitoring Bulletin*, October 2025.

<https://www.steelforum.org/content/dam/steel-forum/en/publications/20251002%20-%20GFSEC%20Steel%20Excess%20Capacity%20Monitoring%20Bulletin.pdf>

assembled steel goods.^{13, 14} In Vietnam, regional industry bodies report a rapidly expanding steel fabrication sector supported by foreign direct investment, industrial park development and rising exports of fabricated and pre-engineered steel structures through 2024-25.^{15, 16}

As excess capacity has extended into fabrication itself, trade impacts have become more immediate. Offshore fabricators facing weak domestic demand have increasingly turned to export markets and are able to supply fabricated structural steel into Australia at significantly lower prices. These price outcomes are influenced not only by scale and cost differences, but also, in some cases, by the use of upstream steel inputs that have been found in other jurisdictions to be unfairly traded or subsidised. In exposed market segments, this shift has translated into higher import penetration and reduced volumes flowing through domestic fabrication workshops. The transmission of these effects from import growth through to domestic fabrication activity, capacity utilisation, investment decisions, workforce outcomes, and upstream steel demand is examined in Sections 3.3 and 3.4 of this submission as part of BlueScope's causation and non-attribution analysis.

¹³ Organisation for Economic Co-operation and Development (OECD), *OECD Steel Outlook 2025*, May 2025. https://www.oecd.org/en/publications/oecd-steel-outlook-2025_28b61a5e-en.html

¹⁴ OECD Steel Committee, *Statement of the 98th Session*, 4–5 November 2025. <https://www.oecd.org/en/about/news/speech-statements/2025/11/98th-session-of-the-steel-committee-statement-by-the-vice-chairs.html>

¹⁵ South East Asia Iron and Steel Institute (SEAISI) Regional Statistics, *Regional Steel Industry Outlook and Production Statistics*, 2025. <https://www.seaisi.org/>

¹⁶ Vietnam Steel Association Statistics, *Steel Industry Statistics and Outlook*, 2024. <https://www.steelorbis.com/steel-news/latest-news/steel-output-and-sales-in-vietnam-rise-in-2024-1376401.htm>

3. Response to PC Information Request

The Productivity Commission's call for submissions¹⁷ requests evidence and views on some or all of seven questions. BlueScope responds to each question below. As an upstream producer of flat steel products, BlueScope does not hold certain fabricator-specific metrics and therefore relies on upstream indicators and publicly available evidence where direct fabrication industry data are not available.

3.1 Have imports of the relevant steel products increased?

Imports of fabricated structural steel have increased materially over the relevant period, including through a pronounced recent surge. That conclusion is supported by primary quantitative evidence, together with corroborative upstream and project-level indicators.

The primary evidence is Australian Bureau of Statistics (**ABS**) customs import data for the tariff items subject to this inquiry, which is provided as Confidential Attachment A. This analysis sets out import volume trends for the relevant tariff codes and identifies the timing and scale of the observed increase, including the recent surge. BlueScope relies on this ABS material as direct quantitative evidence that imports of fabricated structural steel have increased for the purposes of the WTO safeguards framework.

BlueScope does not import fabricated structural steel but has obtained and analysed the ABS customs import data for the relevant tariff items. BlueScope notes that ABS volume data are not available for tariff code 7308.10 (bridges and bridge sections), and that imports within tariff code 7308.90.00.65 are classified under a broad "catch-all" description. Confidential Attachment A describes the scope-mapping and data-cleansing approach applied to the ABS series to align the analysis to the Terms of Reference.

The ABS import trends are reinforced by corroborative upstream and sector-based indicators, including evidence of substitution towards offshore-fabricated packages in exposed segments of Australian demand. In particular, BlueScope's sales teams engaged with the domestic distribution channel have observed an increased prevalence of offshore-fabricated structural steel packages, especially in portal-frame structures. While imports in this segment often limit project-by-project visibility for upstream suppliers, the aggregate pattern observed over time is consistent with increased import penetration.

These corroborative indicators include:

- Upstream demand indicators: observable weakness and volatility in demand for flat steel inputs typically purchased by domestic fabricators (including plate, hot rolled, welded sections and flat bars), consistent with reduced fabrication throughput in exposed segments where imported fabricated packages are increasingly utilised.

¹⁷ Productivity Commission, *Call for submissions – Fabricated structural steel safeguards*, February 2026.
<https://www.pc.gov.au/inquiries-and-research/steel-safeguards/call/>

- Customer procurement behaviour: distribution-channel observations and customer discussions indicating substitution away from domestically fabricated steel toward imported fabricated assemblies and structures, including in portal frame structures where offshore-fabricated packages may be procured as a bundled solution.
- Ordering dynamics and visibility: shortened order horizons and reduced forward visibility for fabrication-linked volumes, together with limited visibility of individual projects in certain imported package segments, consistent with a shift in procurement away from domestic fabrication.

This upstream evidence is provided in Confidential Attachment B, which sets out BlueScope sales volume trends for steel products typically supplied into the domestic fabrication segment, and corroborates the transmission of increased imports into upstream demand outcomes. Additional qualitative and project-level evidence is provided in Confidential Attachment C, which includes specific project examples, contemporaneous customer and procurement records, reported use of offshore-fabricated packages and indicative pricing differentials.

Taken together, the ABS import data provides direct evidence of a material increase and surge in imports of fabricated structural steel, and the upstream and project-level indicators corroborate that this increase is reflected in procurement patterns and market outcomes in Australia. The following section explains the causes of these import changes and why they are best understood as supply-driven developments linked to the global conditions outlined in Section 2.

3.2 What are the causes of any changes in imports?

Previously cited OECD, GFSEC and IMF analysis indicates that recent changes in imports of fabricated structural steel are best explained by supply-side developments in global steel markets, rather than by short-term fluctuations in Australian demand. These developments include persistent excess steelmaking capacity, material subsidisation and state involvement in key exporting jurisdictions, and export-oriented responses by surplus producers.

As outlined in Section 2, persistent excess capacity has encouraged surplus producers to redirect output into external markets, including markets with relatively open trade settings such as Australia. This redirection has been reinforced by aggressive export pricing behaviour and by trade diversion associated with safeguard and trade-remedy measures applied in other jurisdictions to upstream steel products. Together these factors have increased the volume and competitiveness of fabricated structural steel supplied into Australia.

A central feature of recent global adjustment has been the extension of excess capacity beyond upstream steelmaking and into downstream fabrication, altering not only the volume but also the form of traded steel products. OECD and GFSEC analysis indicates that surplus conditions are no longer confined to upstream crude steel or semi-finished steel, but have increasingly manifested in downstream manufactured and fabricated steel goods. As a result, offshore suppliers facing weak domestic demand have expanded exports of fabricated and semi-assembled steel products, including structural components and modules.

Existing trade-remedy measures applied to upstream steel inputs can also influence the form in which steel products are traded. Where anti-dumping and countervailing duties apply to particular steel inputs, offshore suppliers may have an incentive to supply those same steel inputs to Australia in fabricated form (as components, modules or assembled structures), thereby avoiding duties that would otherwise apply to the upstream product. This “downstreaming” effect is consistent with the broader pattern of excess capacity moving through value chains and manifesting in increased trade in downstream manufactured and fabricated steel products.

Differences in fabrication cost structures across jurisdictions, including due to lower labour costs in some exporting countries, are also relevant background consideration. However, such cost differentials are longstanding and, in many product lines, are increasingly moderated by automation and industrialised fabrication methods. On their own, they do not explain the timing, scale or persistence of the recent increase and surge in imports observed in the ABS data.

On the available information, the recent increase in imports is more consistent with supply-side adjustment to global distortions, including excess capacity, subsidisation, state involvement and export redirection, than with labour cost differences or cyclical changes in Australian demand. Where offshore fabricators are able to supply finished or semi-assembled structures at materially lower delivered prices, import penetration is expected to increase most sharply in exposed segments of domestic demand.

The available evidence also indicates that these import changes may exhibit dynamic characteristics. As import penetration increases, domestic fabrication throughput and investment incentives may weaken, potentially reducing the domestic industry’s capacity to respond competitively. This observation is confined to demand-and-supply dynamics with increased import penetration and does not of itself determine causation, which is addressed separately in Section 3.4.

Taken together, these developments provide a logical connection between the unforeseen global conditions described in Section 2 and the observed increase in imports evidenced in Confidential Attachment A. In summary, the structural global supply-side factors identified above explain the timing, scale and persistence of the recent import surge, as distinct from demand-driven or cyclical factors specific to the Australian market.

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

BlueScope does not operate fabrication facilities and therefore does not hold fabricator-level data on production volumes, profitability, employment or capacity utilisation. Nevertheless, based on the indicators summarised in Confidential Attachments B and C, and the objective public indicators set out in Annex A, the evidence supports a finding that the domestic fabricated structural steel industry has suffered serious injury, or at minimum faces a clearly imminent threat of serious injury.

The evidence provided in Confidential Attachments B and C, and Annex A, points to observable and contemporaneous indicators of material stress within the domestic fabrication segment. These include sustained demand volatility, shortened order horizons and evidence of deferred or cancelled investment, as reported through BlueScope's upstream customer interactions and internal sales observations. Such indicators are commonly associated with material stress in capital-intensive manufacturing industries and are not characteristic of short-term or self-correcting adjustment.

Importantly, these downstream indicators are reinforced by upstream demand evidence. As set out in Confidential Attachment B, BlueScope has experienced weakening and volatile demand for steel products typically supplied into domestic fabrication over the relevant period. While BlueScope does not itself fabricate structural steel, this upstream evidence is consistent with reduced domestic fabrication throughput and provides relevant context for assessing the scale and immediacy of injury within the domestic industry.

More directly, Annex A identifies objective indicators relevant to serious injury and threat, including documented business closures and insolvencies, contraction in the fabrication-relevant skills pipeline, and evidence of investment deferral and reduced investment capacity. These objective indicators are independent of BlueScope's upstream data and provide direct public record evidence of industry-level injury and threat. These indicators demonstrate that adverse outcomes are already occurring and that the domestic industry's position has materially deteriorated, rather than reflecting solely forward-looking or hypothetical risk.

The forms of injury identified including capacity exit, loss of skilled labour and foregone investment, are, by their nature, difficult and costly to repair within typical adjustment timeframes. On that basis, the evidence is consistent with serious injury having occurred and, in any event, with a clearly imminent threat of serious injury within the meaning of the WTO safeguards framework.

These injury and threat indicators arise in the context of the increase and surge in imports evidenced in the ABS data in Confidential Attachment A. Issues of causation and non-attribution, including the role of other contributing factors, are addressed separately in Section 3.4, consistent with the Commission's analytical framework.

3.4 What caused the injury? (Causation and non-attribution)

As set out in Sections 2.4 and 3.2, the extension of persistent global steel excess capacity into downstream fabrication has materially altered trade patterns. The ABS customs import data shows the increase and surge in imports of fabricated structural steel described in Confidential Attachment A.

The mechanism by which those imports contribute to injury is supported by the evidence summarised in this submission. Increased imports of fabricated structural steel increase import penetration and displace domestic fabrication output in segments where offshore packaged supply is feasible and procurement is highly price-sensitive. Consistent with domestic

distribution-channel observations and the project examples summarised in Confidential Attachment C, this displacement is particularly evident in certain bundled supply categories, including portal frame structures, where offshore-fabricated packages can be procured as a bundled solution with limited project-by-project visibility for upstream suppliers. That displacement reduces throughput and capacity utilisation among domestic fabricators, weakening demand for, and sales of, Australian-made steel inputs into the domestic fabrication segment. These effects are consistent with the upstream indicators observed by BlueScope (and information provided in Confidential Attachments B and C) and the objective injury and threat indicators set out in Section 3.3 and Annex A.

In addition to these volume effects, increased imports have price effects that are central to the injury mechanism and to the domestic industry's ability to compete. Indicative evidence on pricing differentials and bundled offer terms is included in Confidential Attachment C and is also reflected in the ASI safeguard application and public submissions in this safeguards investigation. Where imported fabricated structural steel is supplied at materially lower delivered prices (including through bundled packages), domestic fabricators face both price undercutting (lost work) and price suppression (being forced to discount to retain work). In circumstances characterised by global excess capacity, subsidisation, state involvement and other trade distortions, these outcomes may not reflect market-based pricing and cost recovery. Rather, they erode the ability of domestic fabricators to recover costs, sustain utilisation, and fund the investment, skills development and compliance systems necessary to remain competitive. This price pressure also transmits upstream by reducing the volume and value of domestic fabrication activity and weakening demand for Australian-made steel inputs.

The timing and nature of the injury indicators identified, including capacity exit, skills attrition and investment deferral, coincide with, and are consistent with, the increase and surge in imports evidenced in the ABS data. They are also consistent with supply-driven import penetration arising from global distortions, including both volume displacement and price undercutting and suppression, rather than with short-term fluctuations in Australian demand or other cyclical factors.

Non-attribution and other factors: Other factors may be present in the domestic fabrication sector and should be examined and separated in accordance with WTO non-attribution principles. These may include changes in Australian construction demand (including post-stimulus effects), input cost inflation (including labour, energy and freight), interest rate and financing conditions, project timing and sequencing, domestic capacity constraints, and procurement practices unrelated to import supply. However, having regard to the import evidence in Confidential Attachment A and the injury indicators summarised in Section 3.3 and Annex A, those factors do not, on the available evidence, explain the timing, scale and import-linked composition of the observed injury. To the extent such factors have contributed to injury, their effects should be distinguished and not attributed to imports, but they do not negate the material contribution of increased imports to the serious injury, or clearly imminent threat thereof, identified in Section 3.3.

If domestic demand contraction were the primary driver of injury, the evidence would be expected to show broad-based volume reductions without a concurrent increase in import penetration in the relevant tariff items and exposed procurement segments; the ABS import trends and procurement evidence described in Confidential Attachments A and C indicate otherwise.

On the basis of the import evidence in Confidential Attachment A, and the corroborative upstream and other indicators in Confidential Attachments B and C, the evidence supports a conclusion that increased imports of fabricated structural steel have been a material cause of the serious injury suffered by the domestic industry, or at minimum of a clearly imminent threat of such injury, within the meaning of the safeguards framework.

3.5 If safeguard measures are justified, what form should they take?

If the Commission is satisfied that the statutory thresholds for serious injury or threat are met, the evidence indicates that safeguard measures should be framed and calibrated to provide effective, temporary relief that preserves the conditions necessary for meaningful industry adjustment, rather than symbolic or insufficient protection.

On the basis of the evidence summarised in Sections 3.1–3.4, the evidence supports the view that measures which directly address both the volume and price effects of the import surge, while allowing a baseline level of trade to continue, are more likely to be effective in preventing further irreversible damage during the adjustment period. In that context, a tariff-rate quota (**TRQ**) calibrated to pre-surge import levels, with additional tariffs applying only to imports in excess of that quota, warrants close consideration.

The ASI has proposed a TRQ structure under which imports up to pre-surge levels remain duty-free, with a tariff applied only to out-of-quota imports. The ASI has further proposed that an out-of-quota tariff in the order of 50 per cent would be expected to be sufficient to address the observed price differential between imported fabricated structural steel and domestically supplied equivalents. Having regard to the observed price differentials and the injury mechanism described in Sections 3.3–3.4, the evidence indicates that a measure of this form would directly target the injurious surge while minimising disruption to established supply relationships.

The ASI has also noted that an above-quota tariff of this order would be broadly comparable to safeguard or trade-restrictive measures adopted in other major jurisdictions, including the European Union and the United States. Alignment with such measures would assist in limiting the risk of trade diversion, whereby surplus fabricated steel displaced from those jurisdictions is redirected into Australia during the adjustment period.

More generally, safeguard measures should be:

- Temporary but effective: calibrated to provide meaningful relief from injurious import pressure during the adjustment period;

- Proportionate and time-bound: aligned with the scale of injury and consistent with Australia's WTO obligations;
- Capable of immediate effect: including through the application of provisional measures where critical circumstances are found to exist; and
- Adjustment-facilitating: supporting the retention of domestic fabrication capability, skills and investment capacity rather than entrenching permanent protection.

Measures that do not materially address the price and volume effects of the import surge risk failing to prevent further capacity exit and may undermine the effectiveness of the safeguards framework.

3.6 Is a safeguard measure in the public interest?

Having regard to the injury and threat indicators in Sections 3.3–3.4 and Annex A, the evidence supports the view that safeguard measures are in the public interest where they prevent the irreversible erosion of domestic fabrication capability and associated supply chain resilience.

The public interest considerations extend beyond the commercial position of individual firms and include the maintenance of domestic capability that underpins construction, infrastructure, mining, manufacturing and defence supply chains. As set out in Sections 3.3 and 3.4 and Annex A, capacity exit, skills loss and foregone investment are occurring and are difficult and costly to reverse once lost. These outcomes have economy-wide implications for competition, resilience and long-term cost structures in sectors that rely on fabricated structural steel.

It is also relevant to consider the counterfactual. If domestic fabrication capability continues to erode, Australia becomes structurally more reliant on offshore-fabricated packages supplied through global supply chains that have demonstrated vulnerability to disruption. Over time, the loss of domestic competitive capacity can increase the risk of higher delivered costs, including through reduced competitive constraint, longer lead times, higher contingency allowances in procurement and increased exposure to external shocks. In addition, substantially higher economic and fiscal costs may be incurred if capability must later be rebuilt to support critical infrastructure, resources or defence requirements.

These considerations are also consistent with the Australian Government's Future Made in Australia agenda, which emphasises the importance of strengthening domestic manufacturing capability, securing resilient supply chains, and supporting industries that are critical to Australia's economic security and resilience. Public statements and budget materials associated with this agenda highlight the role of domestic steelmaking and fabrication capability in supporting infrastructure delivery, clean energy investment and regional employment.¹⁸ In this context, safeguard measures that preserve domestic fabricated structural steel capability

¹⁸ Australian Government (Department of Industry, Science and Resources), *Joint media release: A Future Made in Australia is made with Australian steel*, 30 October 2024.

<https://www.minister.industry.gov.au/ministers/husic/media-releases/joint-media-release-future-made-australia-made-australian-steel>

during a period of adjustment are consistent with broader government policy objectives aimed at maintaining sovereign industrial capacity and reducing exposure to supply chain disruption, while remaining consistent with Australia's international trade commitments.

While safeguard measures may involve short-term adjustment costs for some downstream users, the evidence indicates that timely and effective safeguard relief that preserves the conditions for viable domestic fabrication during the adjustment period supports longer-term competition, reduces systemic supply chain risk, and avoids the substantially higher economic and fiscal costs associated with rebuilding lost capability once it has exited.

Safeguard measures that are carefully targeted, proportionate and time-limited are therefore consistent with the public interest.

3.7 Are there critical circumstances warranting provisional measures?

As detailed in Annex A, objective indicators demonstrate that damage which would be difficult to repair is already occurring and would be exacerbated by further delay, including capacity exit and business closures (A.1), contraction in the fabrication-relevant skills pipeline (A.2), and investment deferral and reduced investment capacity (A.3).

In addition, the risk of further irreversible damage is heightened by the prospect of near-term macroeconomic shocks that can reduce domestic construction and investment activity. Recent public analysis of the economic effects of geopolitical and energy-market disruptions, including the conflict involving Iran, points to higher energy and shipping costs, elevated inflation and tighter financial conditions, which may weigh on construction activity and broader demand conditions.¹⁹ Public reporting indicates that construction cost escalation and weaker demand expectations associated with these developments are already affecting the feasibility and timing of new developments.^{20, 21, 22} In these circumstances, domestic demand softening can coincide with heightened export pressure from offshore fabricators, reinforcing the risk of a further surge in low-priced imported fabricated structural steel during the inquiry period. This macroeconomic context is illustrative only; the assessment of critical circumstances rests on the objective irreversibility indicators in Annex A.

On the basis of the objective indicators in Annex A, the evidence indicates that delay in the application of effective safeguard relief materially increases the risk that such damage becomes irreversible. The mechanisms of injury identified, including loss of productive capacity, skills attrition and stranded capital, are not readily reversible within the timeframe of a standard safeguards inquiry.

¹⁹ Oxford Economics: *The economic impact of a prolonged Iran war in Australia* 02 April 2026. <https://www.oxfordeconomics.com/resource/the-economic-impact-of-a-prolonged-iran-war-in-australia/>

²⁰ Australian Financial Review: *Fuel crisis could push up housing construction costs by 10pc* 10 April 2026.

<https://www.afr.com/policy/economy/fuel-crisis-could-push-up-housing-construction-costs-by-10pc-20260410-p5zmt3>

²¹ Australian Financial Review: *Iran war could add \$50,000 to new home builds: Satterley* 6 April 2026 <https://www.afr.com/politics/federal/iran-war-could-add-50-000-to-new-home-builds-satterley-20260402-p5zky5>

²² Australian Financial Review: *The ASX's property giants brace for building cost surge* 9 April 2026 <https://www.afr.com/property/residential/the-asx-s-property-giants-brace-for-building-cost-surge-20260408-p5zmd0>

In these circumstances, BlueScope supports the application of provisional safeguard measures where the statutory test is met, to prevent further irreversible damage during the inquiry period and to preserve the conditions under which meaningful adjustment by the domestic industry remains possible, consistent with Article 6 of the WTO Agreement on Safeguards.

4. Timeliness of Safeguard Relief

Given the inquiry timetable and prevailing trading and demand conditions, the timeliness of safeguard relief is critical to its effectiveness. Having regard to the indicators in Section 3.7 and Annex A, the evidence supports a conclusion that delay in the application of effective safeguard measures materially increases the risk that the serious injury already occurring in the domestic fabricated structural steel sector becomes irreversible.

As set out in Section 3.7 and detailed in Annex A, objective indicators demonstrate that serious economic injury is already occurring. This includes permanent capacity exit, contraction in the skilled labour pipeline, and deferral or cancellation of investment. These outcomes are not speculative or contingent on future developments; they are observable and contemporaneous.

Fabricated structural steel production is characterised by high fixed capital costs, long lead times for certification and re-qualification, and reliance on accumulated workforce skills and project-specific know-how. Once capacity exits or skilled labour is lost, re-entry is typically protracted, uncertain, and in many cases does not occur. Similarly, deferred or foregone investment during periods of sustained import pressure increases the likelihood that remaining capacity becomes uncompetitive or stranded.

In these circumstances, safeguard measures applied only at the conclusion of the inquiry may be insufficient to prevent further irreversible damage occurring during the inquiry period. Where injury mechanisms are cumulative and time-dependent, the effectiveness of relief is materially influenced by its timing, including whether it operates early enough to preserve viable capacity, skills and investment conditions during the adjustment process.

Accordingly, the evidence supports a conclusion that timely safeguard relief, including through provisional measures where the statutory threshold is met, is appropriate to preserve the conditions under which meaningful adjustment by the domestic industry remains possible, consistent with Article 6 of the WTO Agreement on Safeguards.

5. Conclusion

On the basis of the import evidence in Confidential Attachment A and the contextual evidence summarised in Sections 2.1–2.4, the evidence supports a conclusion that imports of fabricated structural steel have increased materially, including through a recent surge, and that this increase has occurred against a backdrop of persistent global excess capacity extending into downstream fabrication.

While BlueScope is not a producer of fabricated structural steel, the evidence before the Commission indicates that increased imports have displaced domestic fabrication activity and that those imports have been a material cause of serious injury to the domestic fabricated structural steel industry, or at minimum of a clearly imminent threat of such injury. BlueScope suffers direct injury as an upstream supplier through the transmission of those effects upstream, including reduced demand for, and sales of, Australian-made steel inputs into the domestic fabrication segment. Objective indicators demonstrate that capacity exit, skills attrition and investment deferral are already occurring and are difficult to repair once lost.

In these circumstances, where the Commission reaches the conclusions outlined above, safeguard action is warranted to prevent further irreversible damage and to preserve the conditions necessary for meaningful adjustment by the domestic industry. The evidence also indicates that the effectiveness of such measures is materially influenced by their timing and by whether they directly address the price and volume effects of the import surge.

In BlueScope's view, safeguard action of this kind would appropriately include a tariff-rate quota calibrated to pre-surge import levels, with imports above that quota subject to an additional tariff. Industry evidence indicates that an out-of-quota tariff in the order of 50 per cent would be expected to be sufficient to address the observed price differential between imported fabricated structural steel and domestically supplied equivalents, and would be broadly comparable to safeguard or trade-management measures adopted in jurisdictions such as the European Union and the United States, thereby limiting the risk of trade diversion.

Accordingly, BlueScope supports timely safeguard relief, including through provisional measures where the statutory threshold is met, to prevent injury that would be difficult to repair, consistent with Australia's obligations under the WTO Agreement on Safeguards, and as an appropriate response to the current circumstances of injurious import surges and structurally distorted trading conditions.

Annex A – Indicators of Irreversible Injury and Capacity Loss

This annex sets out objective and publicly observable indicators relevant to assessing whether delay in the application of safeguard measures would cause damage that is difficult to repair. It focuses on indicators of irreversible loss of domestic fabrication capability within the Australian steel supply chain.

While BlueScope has described its own injury as an upstream supplier elsewhere in this submission, the indicators in this annex are presented independently to assist the Commission's assessment of whether the domestic fabricated structural steel industry has suffered serious injury, or faces a clearly imminent threat of serious injury, and of the existence of critical circumstances supporting provisional measures.

A.1 Capacity exit and business closures

Publicly available information indicates that fabrication capacity is exiting at a pace and scale that is material.

Industry bodies have publicly reported a significant number of fabrication business closures over a relatively short period, indicating that capacity exit is not confined to isolated firms or regions but reflects a broader contraction in domestic fabrication capability. These reports point to permanent exits rather than temporary shutdowns or restructuring.²³

This evidence is corroborated by formal insolvency events affecting steel fabrication entities, as reflected in ASIC-published notices of liquidator appointments.^{24, 25, 26} Such events constitute verified exits and provide objective evidence of capacity loss that is unlikely to be reversed within normal adjustment timeframes.

Once fabrication facilities close, capability is rarely re-established. Re-entry is constrained by high fixed capital requirements, site-specific approvals and certifications, and the loss of skilled workforces and accumulated project-specific know-how. These characteristics materially raise barriers to re-entry and support a finding that observed closures represent damage that is difficult to repair rather than cyclical adjustment.

²³ Australian Steel Institute, *Emergency government measures sought in the wake of a surge in low-priced imported steelwork* (media release), 27 November 2025. <https://www.steel.org.au/news-and-events/media-releases/emergency-govt-measures-sought-in-the-wake-of-a-surge-in-low-priced-imported-steelwork/>

²⁴ Australian Securities and Investments Commission, *Published Notice – Titan Steel Pty Ltd (Appointment of Liquidator)*, 23 June 2025. <https://publishednotices.asic.gov.au/browsesearch-notices/notice-details/Titan-Steel-Pty-Ltd-601750896/07fa3008-1d69-4728-93e0-a2aa0fed0851>

²⁵ Australian Securities and Investments Commission, *Published Notice – B & G WELDING (NSW) PTY LIMITED (Appointment of Liquidator)*, 11 June 2025. <https://publishednotices.asic.gov.au/browsesearch-notices/notice-details/B-and-G-WELDING-NSW-PTY-LIMITED-081044019/848be86c-f9fa-46ba-a70a-48cd964b13fb#:~:text=11%20June%202025-,Resolution,Adam%20Edward%20Farnsworth>

²⁶ Australian Securities and Investments Commission, *Published Notice – Structural Steel Fabricators Pty Ltd (Appointment of Liquidator)*, 23 July 2024. <https://publishednotices.asic.gov.au/browsesearch-notices/notice-details/Structural-Steel-Fabricators-Pty-Ltd-160148345/4c1b54bc-c71f-4f74-8ae3-77007671c641>

A.2 Skills pipeline contraction

Fabricated structural steel production relies heavily on skilled trades such as welders, boilermakers, steel detailers and supervisors, where training pipelines are long and attrition is costly to reverse. Reductions in apprenticeship commencements and in the stock of apprentices and trainees in-training are therefore widely recognised as leading indicators of long-term capability erosion.

National Centre for Vocational Education Research (**NCVER**) statistics indicate:

- a decline in trade apprenticeship commencements in the year to December 2024, including across trade groupings that supply skilled labour into steel fabrication and related engineering activities²⁷; and
- a further contraction in the total number of apprentices and trainees in training through mid-2025, demonstrating that skills-pipeline weakening is occurring contemporaneously with the import surge rather than reflecting a completed or historical adjustment cycle.²⁸

These developments imply a future shortfall of qualified fabrication labour, even if conditions were to improve. Once apprenticeship commencements fall and experienced tradespeople exit the industry, skills pipelines cannot be rapidly rebuilt due to training duration, supervision requirements and certification obligations.

A.3 Investment deferral and reduced investment capacity

Investment deferral and cancellation are critical indicators of impending and potentially irreversible injury. Fabricated structural steel production is capital-intensive, requires ongoing certification and compliance investment, and depends on maintaining sufficient scale to justify productivity-enhancing upgrades.

Public evidence indicates that domestic fabricators are operating in an environment characterised by reduced utilisation, restructuring and sustained margin pressure.²⁹ These conditions are typically associated with curtailed discretionary capital expenditure, delayed equipment upgrades and a heightened risk that existing assets become under-utilised or stranded.

Industry commentary³⁰ and survey results³¹ indicate that sustained price and volume pressure from imported fabricated steel is constraining the ability of domestic fabricators to recover costs

²⁷ NCVER, *Apprentices and trainees 2024: December quarter*, statistical report, 19 June 2025.

https://www.ncver.edu.au/_data/assets/pdf_file/0048/9696747/Apprentices-and-trainees-2024_December-quarter-Australia.pdf

²⁸ NCVER, *Apprentices and trainees 2025: June quarter*, statistical report, 18 December 2025.

https://www.ncver.edu.au/_data/assets/pdf_file/0030/9700545/A-and-T_Jun2025_Australia.pdf

²⁹ Australian Broadcasting Corporation, *Steel businesses forced to close amid surge in cheap imports from Asia*, ABC News, February 2026.

<https://www.abc.net.au/news/2026-02-05/steel-tariffs-considered-amid-surge-in-imports-from-asia/106301104>

³⁰ Weld Australia, *Without urgent government action, Aussie fabricators face extinction* (media release), 27 May 2025.

<https://weldaustralia.com.au/news-views/weld-australia-warns-without-urgent-government-action-aussie-fabricators-face-extinction/>

³¹ Australian Steel Institute, *Steel Fabrication Industry Survey Results*, July 2024. <https://www.steel.org.au/what-we-do/impact-of-imported-fabricated-steelwork/>

and fund necessary investment in technology, compliance systems and workforce training. In such circumstances, even firms that remain operational are less likely to undertake the capital investment required to maintain competitiveness over the medium term.

Taken together, these indicators point to a deteriorating investment environment in which necessary capital expenditure is deferred or foregone. Where investment is not undertaken during periods of sustained import pressure, the likelihood increases that remaining capacity becomes uncompetitive or exits altogether. This dynamic supports a finding that investment deferral in the current context contributes to capacity loss that is difficult to repair rather than a reversible cyclical response.

A.4 Relevance to provisional measures

Taken together, these indicators demonstrate why timeliness matters in safeguard investigations. Capacity exit, skills loss and foregone investment are forms of injury that are difficult or impossible to reverse within the timeframe of a standard safeguards inquiry.

These indicators therefore represent critical circumstances that support the application of provisional safeguard measures, to prevent further irreversible damage during the inquiry period and to preserve the conditions under which the domestic industry can adjust (see Section 3.4 on the injury mechanism and transmission pathway).