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Submission to the Productivity Commission

Inquiry into Fabricated Structural Steel Safeguards

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1. **Introduction**

I thank the Productivity Commission for the opportunity to contribute to the Fabricated Structural Steel Safeguards Inquiry on behalf of steel fabrication businesses and professional services firms in Mackellar that support the construction, infrastructure and engineering supply chains.

This submission is informed by issues raised with my office by local industry participants and is intended to ensure that local, practical and workforce-level impacts are considered alongside national and industry-wide data as part of the Commission's independent, evidence-based inquiry.

These businesses are currently struggling to meet day-to-day operational requirements and, as a result, do not have the capacity, time or specialist experience required to prepare a formal submission of their own to the inquiry.

2. **Local context and relevance to the inquiry**

Steel fabrication plays a critical role in residential, commercial and infrastructure construction. Fabricators operating in and around Mackellar range in size but commonly report similar pressures arising from increased volumes of low-cost imported fabricated structural steel.

Businesses advise that they operate in full compliance with Australian safety and World Trade Organisation (WTO) quality, welding and certification standards, and that compliance with these requirements further increases costs relative to cheaper imported fabricated steelwork. These concerns mirror those raised by the Australian Steel Institute and underpin the relevance of this inquiry to local industry conditions.

3. **Impacts on steel fabricators**

Fabricators in the electorate of Mackellar have reported the following impacts associated with increased imports:

- loss of contracts to lower-priced imported fabricated steel packages
- sustained pressure on margins
- reduced ability to retain skilled trades and apprentices
- hesitancy to invest in new equipment, training or productivity improvements
- increasing uncertainty about future workload and long-term viability

Many businesses describe these impacts as incremental and compounding, rather than the result of a single sudden shock, but nonetheless, material to their decision-making and sustainability.

4. **Flow-on impacts to associated industries**

Importantly, impacts are not confined to fabrication businesses alone. Local industry participants report flow-on effects to associated and upstream professions, including:

- steel detailers and draftspersons
- structural and civil engineers
- coating, galvanising and installation services

Where fabrication work is lost offshore, these associated services are often lost with it. This has implications for local professional employment, skills retention and industry ecosystems.

5. **Compliance costs and competitive neutrality**

A recurring concern raised by local constituents is the additional cost differential created by Australia's regulatory and safety framework. Local businesses have emphasised that while Australian Standards deliver safer and higher-quality construction outcomes, they also impose unavoidable costs.

Businesses report difficulty competing with imported fabricated steelwork produced with cheaper labour costs and under different regulatory, safety and quality regimes, enabling those products to be sold at lower prices. This issue is relevant to the Commission's assessment of serious injury, causation and the public interest, particularly where procurement decisions prioritise lowest upfront cost over compliance and whole-of-life value.

6. **Barriers to participation in the inquiry**

An important matter for the Commission's consideration is that many affected businesses, particularly small and medium-sized operators do not have the time, resources or specialist expertise required to prepare formal submissions.

Businesses have advised that:

- policy engagement competes with day-to-day operational demands
- compiling data and responding to technical inquiry questions is resource-intensive
- some impacts are experiential, cumulative and difficult to quantify conclusively

As a result, there is a risk that impacts on parts of the domestic industry and its associated workforce, may be under-represented unless weight is given to submissions that draw together local experience on behalf of those unable to participate directly.

7. **Considerations regarding safeguard measures**

I note that the Australian Steel Institute has proposed consideration of targeted, temporary and WTO-compliant safeguard measures, including tariffs or tariff-rate quotas limited to the extent necessary to prevent or remedy serious injury.

Without advocating for a predetermined outcome, I encourage the Commission to consider whether such measures, if supported by evidence, could:

- support fair competition between compliant domestic production and imports
- provide time-limited breathing space for industry adjustment
- help retain skilled trades and professional capability

- support construction quality, safety and supply-chain resilience

Any assessment should continue to balance the interests of industry participants, construction users and the broader public interest.

8. **Conclusion**

I support a rigorous, independent and evidence-based inquiry by the Productivity Commission. In doing so, I encourage the Commission to:

- give due weight to local and electorate-level experiences
- consider impacts across the broader steel fabrication ecosystem, including associated professions
- recognise barriers faced by businesses that are unable to engage directly with the inquiry
- assess potential safeguard measures with regard to economic efficiency, safety, workforce outcomes and long-term industry capability

This inquiry raises important questions about Australia's manufacturing base, construction safety and the resilience of related professional and trade skills. Ensuring that these perspectives are reflected will assist the Commission in reaching well-grounded conclusions.

Yours sincerely,

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Federal Member for Mackellar