

Date: 30 September 2026

Submission in response to the Productivity Commission's Interim Report: Fabricated Structural Steel Safeguards Inquiry

BlueScope Steel Limited

Introduction

BlueScope Steel Limited (**BlueScope**) welcomes the opportunity to comment on the Productivity Commission's (**the Commission**) Interim Report in relation to safeguard measures on imports of fabricated structural steel (**FSS**).

BlueScope has participated constructively throughout the inquiry process and acknowledges the significant work undertaken by the Commission in assessing a complex and contested issue. We also recognise that the Interim Report represents a preliminary stage of the inquiry process and that the Commission remains open to further evidence and submissions before reaching its final conclusions.

Disappointment with the Interim Findings

BlueScope is disappointed by the Commission's interim findings that the conditions for safeguard measures have not been established.

In particular, the Commission has reached preliminary conclusions that imports have not increased in a manner sufficient to satisfy the safeguards test, that the Australian fabricated structural steel industry has not suffered serious injury, and that there is no threat of serious injury under the applicable legal framework.

This divergence between the Commission's industry-wide findings and the experiences reported by many affected businesses reinforces the importance of ensuring Australia's trade remedies framework remains capable of identifying and addressing genuine injury where it occurs, particularly in industries facing increasingly complex forms of import competition. Across the inquiry process, fabricators have consistently described increasing competitive pressure from imported fabricated steel, deteriorating margins, the loss of projects to imported products, deferred investment, workforce reductions, reduced apprenticeship opportunities and growing concerns regarding long-term business viability.

BlueScope recognises that the Commission is required to assess the statutory requirements for safeguard measures on the basis of the evidence before it and in accordance with Australia's international obligations. This submission does not seek to address in detail the Commission's legal and evidentiary findings, which are being addressed separately by the Australian Steel Institute and affected fabricators through the post-interim report process.

However, regardless of the ultimate outcome of the inquiry, the Interim Report should not be interpreted as suggesting that the underlying challenges facing Australia's steel manufacturing and fabrication supply chain have been resolved.

The Underlying Challenge Remains

This inquiry again highlights the broader issue confronting Australian manufacturing.

Global steel markets continue to be characterised by substantial excess capacity, extensive government intervention, industrial subsidisation, market distortions and increasing trade diversion pressures. These conditions continue to place significant pressure on steel producers and downstream manufacturers around the world.

Australia's steel sector operates in one of the most trade-exposed manufacturing environments in the economy. Domestic manufacturers and producers compete against imports originating from jurisdictions that frequently benefit from lower energy costs, significant government support, industrial subsidies or other market advantages unavailable to Australian producers.

The central policy challenge is therefore not whether Australia should participate in global trade. Rather, it is how Australia ensures that domestic manufacturers can compete on fair and commercially sustainable terms in an increasingly distorted global trading environment.

The Interim Report Reinforces the Need for Ongoing Trade Remedies Reform

In BlueScope's view, one of the most important policy questions arising from this inquiry is whether Australian industries that experience injury from unfair or disruptive import competition are able to obtain timely, effective and practical relief.

The recent passage of the Customs Amendment (Safeguard Inquiries) Bill represents an important step in strengthening Australia's trade remedies framework. Once implemented, the reforms will transfer responsibility for future safeguard inquiries from the Productivity Commission to the Anti-Dumping Commission (**ADC**), which will become the Australian Trade Remedies Commission (**ATRC**).

BlueScope welcomed this reform and agrees that increasingly complex trade remedies matters are best assessed by an agency with dedicated expertise in trade law, injurious imports, global market distortions and trade remedies administration.

However, the passage of the legislation should be viewed as an important milestone rather than the conclusion of the reform process.

The fabricated structural steel inquiry demonstrates the importance of continuing to strengthen Australia's trade remedies system to ensure it remains:

- timely and commercially relevant;
- accessible to Australian manufacturers;
- appropriately calibrated to modern patterns of global trade and industrial subsidisation;
- transparent and fair for all participants;
- adequately resourced; and
- capable of delivering effective remedies where statutory requirements are satisfied.

The question raised by this inquiry is not simply whether safeguard measures are ultimately justified in this instance. It is whether Australian industries experiencing injury from import competition can be confident that, where the statutory requirements are met, effective relief will be available within a timeframe that is meaningful from a commercial and investment perspective.

Effective Trade Remedies Require Appropriate Resourcing

A strong trade remedies framework requires more than legislative powers alone.

Australian manufacturers must have confidence that the institutions responsible for administering Australia's trade remedies laws possess the capability, expertise and resources necessary to investigate increasingly complex matters efficiently and rigorously.

As global trade becomes more complex, investigations increasingly involve issues such as:

- global excess capacity;
- industrial subsidies;
- transnational supply chains;
- market distortions;
- trade diversion;
- circumvention risks; and
- increasingly sophisticated pricing and commercial arrangements.

These matters require specialist expertise and substantial investigative capability.

As responsibility for safeguard inquiries transitions to the ATRC, it will be essential that it is provided with the resources, specialist expertise and analytical capability necessary to administer an increasingly complex trade remedies system and deliver outcomes within commercially relevant timeframes.

BlueScope therefore strongly supports ongoing Government investment in the capability, resources and expertise of the ADC and, following implementation of the reforms, the ATRC. Adequate resourcing is essential to ensure Australian industries can obtain timely decisions and effective relief where the statutory requirements are met, while maintaining confidence that Australia's trade remedies system can respond to increasingly sophisticated forms of trade distortion and market disruption.

Timing matters. For many manufacturers, the practical value of a trade remedy depends not only on the eventual outcome, but also on whether relief can be obtained before investment is deferred, skilled workforces are reduced, customers are lost and industrial capability is permanently diminished.

Once industrial capability, skilled workforces, supplier networks, customer relationships and investment confidence are lost, they are often difficult and costly to rebuild. Delayed relief can therefore diminish the effectiveness of a trade remedies system, even where an industry ultimately succeeds in establishing its case.

Trade Remedies and a Level Playing Field

Trade remedies are sometimes portrayed as barriers to trade. BlueScope does not share that view.

A modern trade remedies system is fundamentally about ensuring that Australian manufacturers compete on a level playing field.

A well-functioning trade remedies system should not guarantee outcomes for domestic producers. It should enable businesses to compete and succeed through productivity, innovation, technology, quality and customer service, while ensuring Australian manufacturers are not required to compete against injurious import competition arising from excess capacity, subsidisation or other forms of market distortion or unfair competitive advantage.

Accordingly, BlueScope supports continued reform to ensure Australia's trade remedies system remains:

- effective;
- accessible;
- legally robust;
- responsive to changing global market conditions; and
- capable of delivering confidence to domestic manufacturers considering major long-term investments.

Sovereign Capability and Manufacturing Resilience

The issues raised by this inquiry also extend beyond fabricated structural steel.

Australia has ambitious national objectives relating to:

- housing delivery;
- major infrastructure development;
- energy transition investment;
- defence industry capability;
- supply chain resilience; and
- revitalisation of domestic manufacturing.

Achieving these objectives will require ongoing investment throughout Australia's industrial supply chains. Businesses are more likely to commit to long-term investments in facilities, equipment, workforce capability, productivity improvements and decarbonisation where they have confidence that Australia will maintain a competitive operating environment and effective mechanisms to address unfair injurious import competition.

BlueScope continues to invest in Australian steelmaking and manufacturing capability because we believe Australia benefits from retaining a strong domestic industrial base. However, maintaining that capability over the long term requires policy settings that recognise the realities of increasingly contested global markets and support fair competition between domestic producers and imports.

Conclusion

BlueScope is disappointed by the Productivity Commission's interim findings regarding fabricated structural steel safeguards.

While the Commission has reached preliminary conclusions regarding the specific statutory requirements for safeguard measures, the inquiry has nevertheless highlighted broader concerns regarding import competition, global steel overcapacity, market distortions and the challenges confronting many participants in Australia's manufacturing supply chain.

Regardless of the final outcome of this inquiry, BlueScope believes the issues raised during the inquiry reinforce the importance of continuing to strengthen Australia's trade remedies system.

BlueScope encourages the Commission, in preparing its final report, to carefully assess the additional evidence and submissions being provided through the post-interim process, including evidence relating to import trends, conditions within the directly import-competing fabrication sector, and the practical experiences of businesses operating in the industry. BlueScope considers it important that the Commission thoroughly tests its preliminary conclusions against this further evidence and ensures that the final report fully reflects both the commercial realities facing participants in the fabricated structural steel sector and the broader implications for Australia's manufacturing capability and supply chain resilience.

BlueScope welcomes the recent passage of the Customs Amendment (Safeguard Inquiries) Bill as an important step in strengthening Australia's trade remedies framework. However,

continued reform, adequate resourcing of the ADC and future ATRC, and ongoing efforts to ensure Australia's trade remedies system remains timely, effective, accessible and fit-for-purpose in a rapidly evolving global trading environment, remain essential if domestic industries are to have confidence that injurious import competition can be addressed when it arises.

An effective trade remedies system is critical to maintaining a level playing field for Australian manufacturers, preserving sovereign industrial capability, supporting long-term investment decisions and ensuring Australia retains the competitive manufacturing base needed to support its future economic, infrastructure and industrial ambitions.

For and on behalf of BlueScope