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Catherine de Fontenay and Barry Sterland  
Commissioners  
Australian Government Productivity Commission  
Via email: [safeguards@pc.gov.au](mailto:safeguards@pc.gov.au)

Dear Commissioners

**RE: Fabricated Structural Steel Safeguards Inquiry Interim Report - Submission by Government of South Australia**

Thank you for the opportunity to comment on the interim report regarding safeguard measures for imported fabricated structural steel products.

The Government of South Australia acknowledges the considerable work undertaken by the Productivity Commission in preparing this report and appreciates the Commission's transparent explanation of its methodology and preliminary findings.

The Government recognises the Commission's independence and the prescriptive nature and high evidentiary threshold it is required to apply under Australia's safeguard framework and the World Trade Organisation Agreement on Safeguards.

On behalf of the Government of South Australia, I would like to take this opportunity to make the following contributions.

**Strategic importance of sovereign steelmaking capability**

The Government of South Australia remains committed to the preservation and strengthening of a robust sovereign steelmaking value chain based out of South Australia, anchored around the Whyalla Steelworks.

The Australian and South Australian Governments have made and continue to make substantial commitments to support the future of the Whyalla Steelworks as a means to underpin our nation's sovereign steelmaking capability.

This reflects a shared recognition that domestic steelmaking capability has strategic importance extending far beyond the performance of any single business - it goes directly to our state's and our nation's capacity to meet our own requirements across a range of critical areas.

Whether it's railways, high-rise towers, housing, windfarms, transmission towers, bridges, defence assets or hospitals - without sovereign steelmaking capability, Australia and South Australia would rely on steel and capability from overseas amid a deteriorating strategic environment.

The Whyalla Steelworks occupies a unique position within Australia's industrial base as the nation's only producer of hot-rolled structural steel and rail sections. It supplies products used in construction, infrastructure, manufacturing and rail applications across Australia and forms an important part of the domestic steel supply chain.

Of course, domestic fabrication is an integral part of this same value chain.

Fabricators play a key role in transforming structural products into finished product used right across Australia's economy. They also represent an important customer base for Australian structural steel production, underpinning their viability.

Conversely, domestic steelmaking supports fabrication capability through local supply, specialised skills and industrial capability.

Once lost, these capabilities would be difficult, costly and time-consuming to rebuild and leave Australia strategically and industrially more vulnerable.

### **Importance of alignment on evidence base and methodology**

In light of the strategic importance of sovereign steelmaking, the Commission's final recommendations are of course pertinent to the State and national interest.

The Government of South Australia therefore considers it to be in all parties' interests for there to be broad alignment on the evidence base and methodology underpinning any.

It would be important, therefore, for unresolved differences on this front between industry submissions and the Commission's interim report to be further scrutinised so that they may be fully understood by all parties, and where possible, resolved, prior to the completion of the inquiry's final report and recommendations.

In this context, the Government of South Australia welcomes the Productivity Commission's stated intention to further analyse and review the data, evidence base and methodology, including through peer review and further engagement.

As part of this, the Commission may wish to consider further engagement with industry, the initial applicant, as well as the Anti-Dumping Commission as it transitions into its new role as the Australian Trade Remedies Commission.

Of course, I would be pleased to ask relevant South Australian Government officials to support any such efforts, should this be of assistance to you.

Thank you for your consideration.

Lawrence Ben MP

**ASSISTANT MINISTER FOR COPPER, STEEL AND  
CRITICAL METALS AND MINERALS**