Australian Government
Productivity Commission

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Fabricated structural steel safeguards

Inquiry report

No. 115 | 23 November 2026







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The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

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23 November 2026

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

In accordance with section 11 of the *Productivity Commission Act 1998*, we have pleasure in submitting to you the Productivity Commission's final report into *Fabricated Structural Steel Safeguards*.

Yours sincerely

Barry Sterland
Presiding Commissioner

Catherine de Fontenay
Commissioner

Terms of reference

I, the Hon Jim Chalmers, Treasurer, pursuant to parts 2 and 3 of the *Productivity Commission Act 1998*, hereby request that the Productivity Commission (PC) undertake an inquiry into whether safeguard action is warranted against imports of fabricated structural steel products of the Australian Customs Tariff.

Background

The Australian Steel Institute, on behalf of the industry, has lodged an application requesting that the Australian Government apply safeguard measures for fabricated structural steel products. The PC is Australia's competent authority to investigate whether safeguard measures are justified under World Trade Organisation (WTO) rules, on the basis of there being a surge of imports that causes, or threatens to cause, serious injury to a domestic industry.

Scope

The PC is to undertake an inquiry into whether safeguard action is warranted against imports of the following fabricated structural steel products of the Australian Customs Tariff:

- 7308100001 – Bridges and bridge-sections of iron or steel.
- 7308900052 – Columns, pillars, posts, beams, girders, bracing, gantries, brackets, struts, ties and similar structural units, hot rolled, of iron or steel (excl. those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900053 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, less than 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840).
- 7308900054 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, greater than or equal to 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840).
- 7308900055 – Same as above, roll formed, of iron or steel (excluding hot rolled; plated or coated with zinc or aluminium-zinc alloys; and HS 730810 to 730840).
- 7308900056 – Same as above, of iron or steel (excluding roll-formed structures and those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900057 – Steel grating, stairways and treads (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900060 – Handrails and stanchions, of iron or steel (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900062 – Guard rails and road barriers, of iron or steel, prepared for use on bridges and roads.
- 7308900063 – Sectional components, of iron or steel, prepared for use in towers and lattice masts.
- 7308900064 – Lintels, of iron or steel, prepared for use with doors and windows.
- 7308900065 – Structures and parts of structures and plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel (excluding those of HTISC 7308100001).

The inquiry is to be undertaken in accordance with the WTO safeguard investigation procedures published in the Gazette of S297 of 25 June 1998, as amended by GN39 of 5 October 2005, and consistent with Australia's relevant free trade agreement obligations. The PC is to report at an industry level, and where feasible, for each tariff line on:

- Whether conditions are such that safeguard measures would be justified under the WTO Agreements, including the General Agreement on Tariffs and Trade 1994 (GATT) and the WTO Agreement on Safeguards.
- If these conditions are met, what measures would be necessary to prevent or remedy serious injury, and the threat thereof, and to facilitate adjustment.
- Whether those measures should be implemented, having regard to the public interest.

The PC is to provide an interim report on whether critical circumstances exist where delay in applying measures would cause damage which it would be difficult to repair. If such circumstances exist, and pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury, the PC is to recommend what provisional safeguard measures (to apply for no more than 200 days) would be appropriate.

Process

The PC is to provide an interim report to the Government no later than 8 months and a final report within 10 months of receipt of this reference. The reports will be published as soon as practicable.

The PC is to consult widely, hold hearings and invite submissions for the purpose of the inquiry.

The Hon Dr Jim Chalmers MP
Treasurer

[Received 23 January 2026]

Disclosure of interests

The *Productivity Commission Act 1998* (Cth) specifies that where Commissioners have or acquire interests, pecuniary or otherwise, that could conflict with the proper performance of their functions they must disclose those interests.

The Commissioners working on this report have no interests requiring disclosure.

Acknowledgments

In undertaking this inquiry, the PC has benefited from engagement with a wide range of stakeholders across the fabricated structural steel supply chain, as well as Australian and international government agencies and industry bodies. A full list of who we met with is included in appendix A.

The Commission would like to thank Mr Jonathan Hambur for reviewing the analysis we have done in the ABS DataLab. Mr Hambur is the Deputy Head of the Economic Research Department at the Reserve Bank of Australia and has experience analysing business performance using data from the Business Longitudinal Analysis Data Environment (BLADE). Mr Hambur's review was performed in his individual capacity as a technical expert, not on behalf of the RBA.

BLADE disclaimer notice

The following Disclaimer Notice refers to data and graphs sourced from the Australian Bureau of Statistics' (ABS) BLADE (Business Longitudinal Analysis Data Environment) database.

The results of these studies are based, in part, on data supplied to the ABS under the *Taxation Administration Act 1953*, *A New Tax System (Australian Business Number) Act 1999*, *Australian Border Force Act 2015*, *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999*, *Paid Parental Leave Act 2010* and/or the *Student Assistance Act 1973*. Such data may only be used for the purpose of administering the *Census and Statistics Act 1905* or performance of functions of the ABS as set out in section 6 of the *Australian Bureau of Statistics Act 1975*. No individual information collected under the *Census and Statistics Act 1905* is provided back to custodians for administrative or regulatory purposes. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes and is not related to the ability of the data to support the Australian Taxation Office, Australian Business Register, Department of Social Services and/or Department of Home Affairs' core operational requirements.

Legislative requirements to ensure privacy and secrecy of these data have been followed. For access to PLIDA and/or BLADE data under section 16A of the ABS Act 1975 or enabled by section 15 of the Census and Statistics (Information Release and Access) Determination 2018, source data are de-identified and so data about specific individuals has not been viewed in conducting this analysis. In accordance with the *Census and Statistics Act 1905*, results have been treated where necessary to ensure that they are not likely to enable identification of a particular person or organisation.

AI transparency statement

This report was prepared using the assistance of AI tools for purposes of general research, note taking, coding and editing. PC staff reviewed all AI-generated outputs for accuracy and quality.

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Overview

Key points

- **Safeguard measures are for 'extraordinary emergency' situations to temporarily protect a domestic industry from competing imports.**
  - Before a measure can be introduced, the evidence must show there has been a recent, sudden, sharp and significant surge in imports that has caused, or threatens to cause, serious harm to the domestic industry that makes like or directly competing goods.
  - The evidentiary threshold to introduce a safeguard measure is very high and we have drawn on comprehensive data sources to make our assessments.
- **During the investigation period, imports of fabricated structural steel (FSS) continued to increase, but not in a way that meets the requirements for the introduction of a safeguard measure.**
  - Absolute imports – the tonnes of FSS imported – can be readily estimated using trade data. Absolute imports have not grown in a way that justifies the use of safeguard measures.
  - Safeguard measures can also be justified based on increases in relative imports, typically measured as imports divided by domestic production.
  - There is uncertainty in relation to estimates of domestic production but we have retained the approach of estimating domestic production using administrative data. This approach does not indicate an increase in relative imports that meets the required threshold.
- **At the aggregate level, the evidence does not show serious injury across the domestic FSS industry, or the threat of serious injury, that meets the high legal standard for safeguard measures.**
  - Evidence from inquiry participants and administrative data indicate some firms are under pressure, but industry-wide data shows improvement in most injury factors over the investigation period.
  - In response to feedback on the interim report, the PC's analysis is now targeted at producers identified as largely focused on structural steel fabrication.
  - The updated analysis, which includes additional quality assurance adjustments, aligns with our interim findings.
  - As with the interim analysis, there is not evidence showing threat of serious injury for the industry as a whole that meets evidentiary requirements.
- **We have found that the conditions for definitive safeguard measures are not met.**
- **The interim report contained the Productivity Commission's views on safeguard measure design and public interest assessment.**
  - This analysis is not further developed here given the finding that the conditions for a safeguard measure are not met.

The PC was asked to investigate whether safeguard measures are warranted for fabricated structural steel products

The Treasurer asked the PC to investigate whether safeguard action is warranted against imports of fabricated structural steel (FSS) products. These products include bridges and bridge sections, gratings, stairways and treads, guardrails and road barriers, and a range of other products set out in twelve 10-digit tariff codes that fall under heading 7308 of the Australian Tariff Code. Fabricators cut, shape, hole, weld and bend semi-finished steel to create finished steel products.

A safeguard measure is a trade barrier, such as a tariff, quota, or tariff rate quota, on imported goods that can be applied in limited circumstances to act as a 'safety valve' to allow a domestic industry to adapt to new economic realities. In accordance with the Agreement on Safeguards, the PC has examined whether imports have increased in such volumes, and under such conditions, that they have caused or threaten to cause serious injury to the Australian FSS industry.

The PC has undertaken a formal, evidence-based assessment of imports, injury to domestic producers, and other matters required under the World Trade Organization (WTO) framework. This report presents our findings on whether the requirements for the introduction of definitive safeguard measures have been met.

The PC has defined the scope of this inquiry based on industry insights and with reference to WTO requirements.

- The PC has assessed the twelve 10-digit codes in the terms of reference as a single product group. We have examined imports for that group and assessed the domestic industry that produces like or directly competing products. These products share a common functional character as FSS components prepared for use in structures, and members of the domestic industry can produce some or even all of them using the same facilities, inputs, labour and processes.
- 333 Australian Steel Institute (ASI) members, and an additional 33 fabricators identified during the course of this inquiry, represent a major proportion of domestic production of FSS and are considered by the PC to be the 'conservative' population for the purposes of this inquiry. To test the representativeness of findings, analysis has also been undertaken for an extended group which includes an additional 138 businesses that have been identified as common consumers of key FSS inputs.
- In response to feedback, to help ensure industry performance reflects activity relating to FSS, the PC's findings are now based on the performance of the 314 firms within the conservative population assessed as being mainly focused on structural steel fabrication. We have also considered data on the amount of steel galvanised over time which was included in the ASI's post-interim submission.
- The inquiry's terms of reference are silent on what the period of the investigation should be, although the Australian Government's notice of initiation to the WTO references information from ASI highlighting growth in imports from 2020 to 2024. We have chosen to use a 5-year investigation period covering 2020–21 to 2024–25.

Consistent with the focus on extraordinary circumstances, the evidentiary threshold for a safeguard investigation is very high

The WTO Appellate Body has stressed that a safeguard measure is 'an extraordinary measure that is applied in extraordinary circumstances' (*US – Line Pipe*, para. 111).

The legal requirements for introducing safeguard measures are set out in Article XIX of the General Agreement on Tariffs and Trade 1994 (GATT), *Emergency Action on Imports of Particular Products*, and in the Agreement on Safeguards (SA). These include a requirement to provide reasoned conclusions on all pertinent issues of fact and law (SA Article 3) and evaluate all relevant factors of an objective and quantifiable nature (SA Article 4.2 (a)).

In undertaking this inquiry, the PC has relied on administrative data held by the ABS to examine import trends and the condition of the domestic industry. This includes transaction-level import data sourced through the ABS, anonymised Business Income Tax (BIT) returns, Business Activity Statements (BAS) and Pay As You Go (PAYG). We have also drawn on submissions and other relevant sources to understand conditions in the Australian FSS industry.

Imports have increased, but there has not been a sudden surge

To justify safeguard measures, there must be an increase in imports that is 'recent enough, sudden enough, sharp enough, and significant enough, both quantitatively and qualitatively, to cause or threaten to cause "serious injury"' (*Argentina – Footwear (EC)*, para. 131). The WTO Appellate Body has previously affirmed that the real significance of short-term trends in the most recent data 'may only emerge when those short-term trends are assessed in the light of the longer-term trends in the data for the whole period of investigation' (US – Lamb, para. 138).

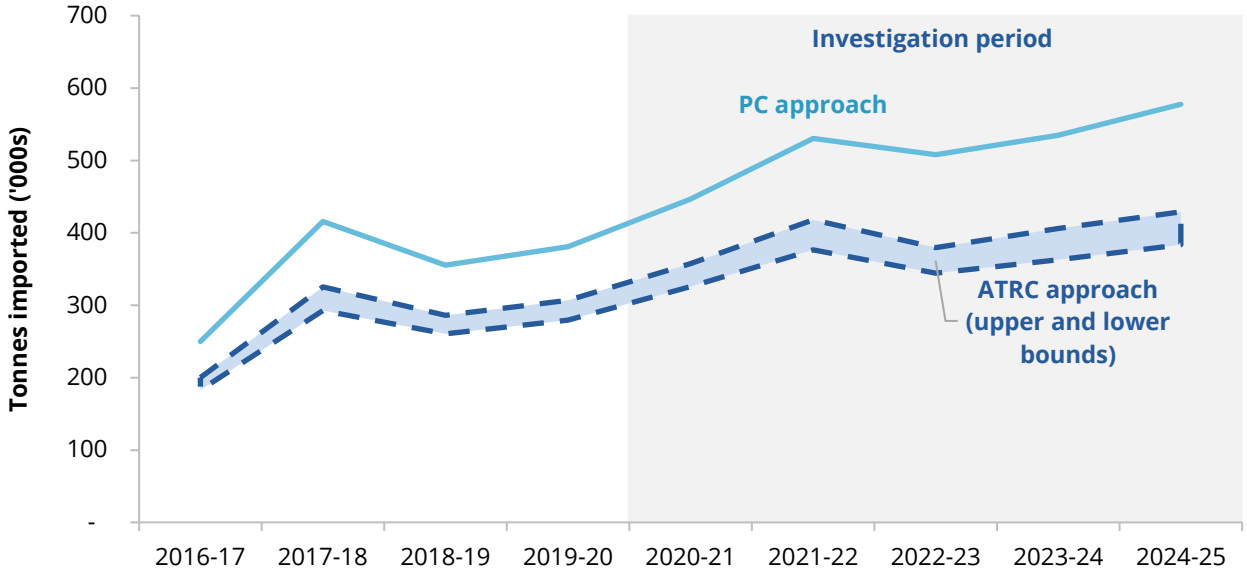
The PC has examined transaction-level import data that captures all in-scope imports over the investigation period (figure 1). Our approach to estimating imports seeks to account for data entry errors and applies statistical approaches to impute quantities where there is evidence of missing data or unit-value outliers.

In response to stakeholder feedback on the interim report, the PC has also estimated imports using an approach informed by the Australian Trade Remedies Commission's[1] analysis in some anti-dumping investigations. The PC has independently adapted this approach in the broader context of this safeguard inquiry as a validity check on its central estimates.

To assess imports relative to domestic production – another consideration specified in the WTO framework – the PC has estimated domestic production using firm-level ABS data and information provided by industry participants. We have also considered other estimates or indicators of domestic production, including data from the Galvanizers Association of Australia (GAA) on the amount of steel galvanised and other potential indicators.

[1] The ATRC was previously named the Australian Anti-Dumping Commission.

Figure 1 – Growth in absolute imports does not meet the conditions for introducing a safeguard measure



Source: PC analysis using ABS administrative data.

Different sources of evidence imply different trajectories for domestic production (figure 2), and all sources have limitations.

- Imports of key upstream steel inputs represent only one channel for sourcing those inputs – public data on domestic production of equivalent products is not generally available. And these imported inputs are not only used to produce FSS.
- InfraBuild's proxy metric for domestic FSS production tracks imports and domestic production of steel used by domestic fabricators, but only hot rolled structural sections.
- Estimates of FSS production based on steel tonnes galvanised are sensitive to the assumed share of FSS production that is galvanised. The GAA estimates this share at about 30% and considers it stable over time (GAA, pers. comm., 23 October 2026), while an ASI survey of 19 fabricators suggests around 40% was galvanised in 2025, albeit with substantial variation (5% to 96%) (pers. comm., 4 November 2026).
  - Taking the midpoint of 35%, the data on tonnes galvanised would imply that domestic FSS production fell by about 206,300 tonnes over the investigation period, compared with a 131,000 tonne increase in imports. This would mean that the domestic FSS market was 5% smaller in 2024–25 compared with 2020–21.[2] Comparing the same years, chain volume measures of engineering construction and non-residential building construction were 37.4% and 10.4% higher respectively (ABS 2026a, 2026b).

[2] FSS production is estimated using the GAA data by multiplying tonnes of steel galvanised by 0.94 and dividing by 0.35 (to reflect the GAA estimate that 94% of steel tonnes galvanised are relevant FSS products, and the midpoint estimate that 35% of FSS is galvanised).

  - If the share of domestic FSS production that is galvanised has changed over time (as might be expected if the types of FSS produced have changed), consistently applying a constant market share figure would produce incorrect estimates of total FSS production.

- The PC's estimates of domestic production may capture imported FSS where it has been purchased by fabricators themselves. The available evidence does not indicate this is a major feature of the industry, with direct imports of FSS by fabricators accounting for 1.4% of total in-scope imports over the investigation period (PC analysis using ABS administrative data). The estimates also rely on a number of assumptions (for example, the share of cost of sales spent on steel). These were detailed in the interim report and are also included in appendix B of the final report.
- The method used by the ASI to estimate FSS production has not been published.

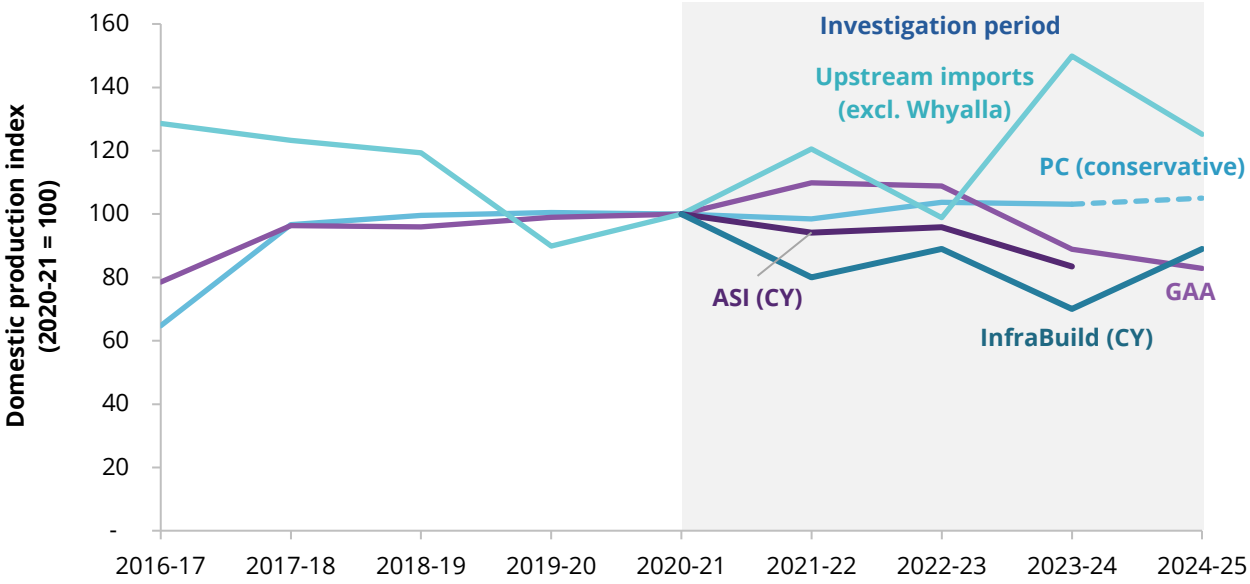
On balance, the PC considers that its estimates provide the most reliable basis for assessing changes in relative imports. The PC has further tested the robustness of its approach by:

- ensuring that the businesses analysed are ASI members or were directly identified as fabricators during the inquiry, and are further restricted to the large proportion of these that appear to be strongly focused on the production of FSS
- confirming that there is limited evidence of direct FSS imports by these firms.

The PC has therefore retained its estimates of domestic production as its preferred measure for use when calculating relative imports (figure 3).

Overall, the additional information received since the interim report does not alter the PC's assessment: on balance, the evidence does not indicate that import growth during the investigation period was recent, sudden, sharp and significant.

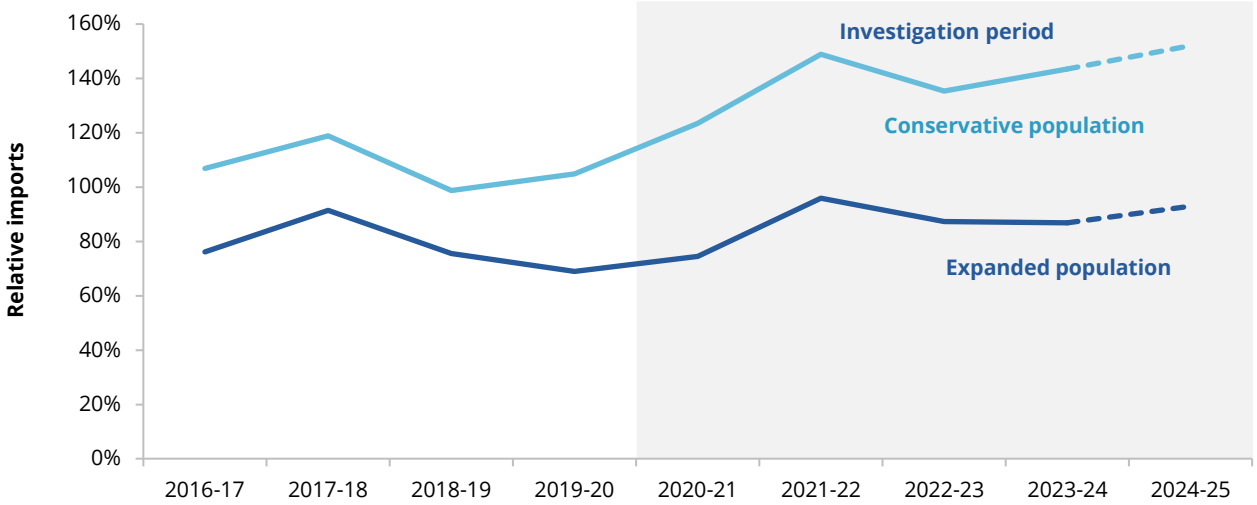
Figure 2 – Different sources indicate different trajectories for domestic production



'CY' denotes data measured on a calendar year basis. 31 codes were identified to be key contributors to upstream imports, though 4 codes were determined to most closely relate to Whyalla Steelworks production and were removed to account for disruptions in recent years (the disruptions are understood to have considerably increased use of imported products that would otherwise have been sourced from the Whyalla Steelworks). This is discussed further in appendix B. ASI figures are included, though it is noted that the methodology for calculating these figures is not on the public record.

Source: PC analysis using ABS administrative data, ASI (sub. 75, attachment 3), InfraBuild (sub. 40, p. 12).

Figure 3 – Relative imports, based on the PC's preferred measure of domestic production, have not increased in a way that meets the conditions for introducing a safeguard measure



Source: PC analysis using ABS administrative data.

The evidence does not show serious injury across the industry as a whole, but some segments are facing difficult conditions

The data examined by the PC shows that the industry recorded growth for key indicators over the investigation period (figure 4).

The ASI submitted that the interim analysis used whole-of-firm data that may have included unrelated activities and revenue from FSS imports (sub. 75, p. 4).

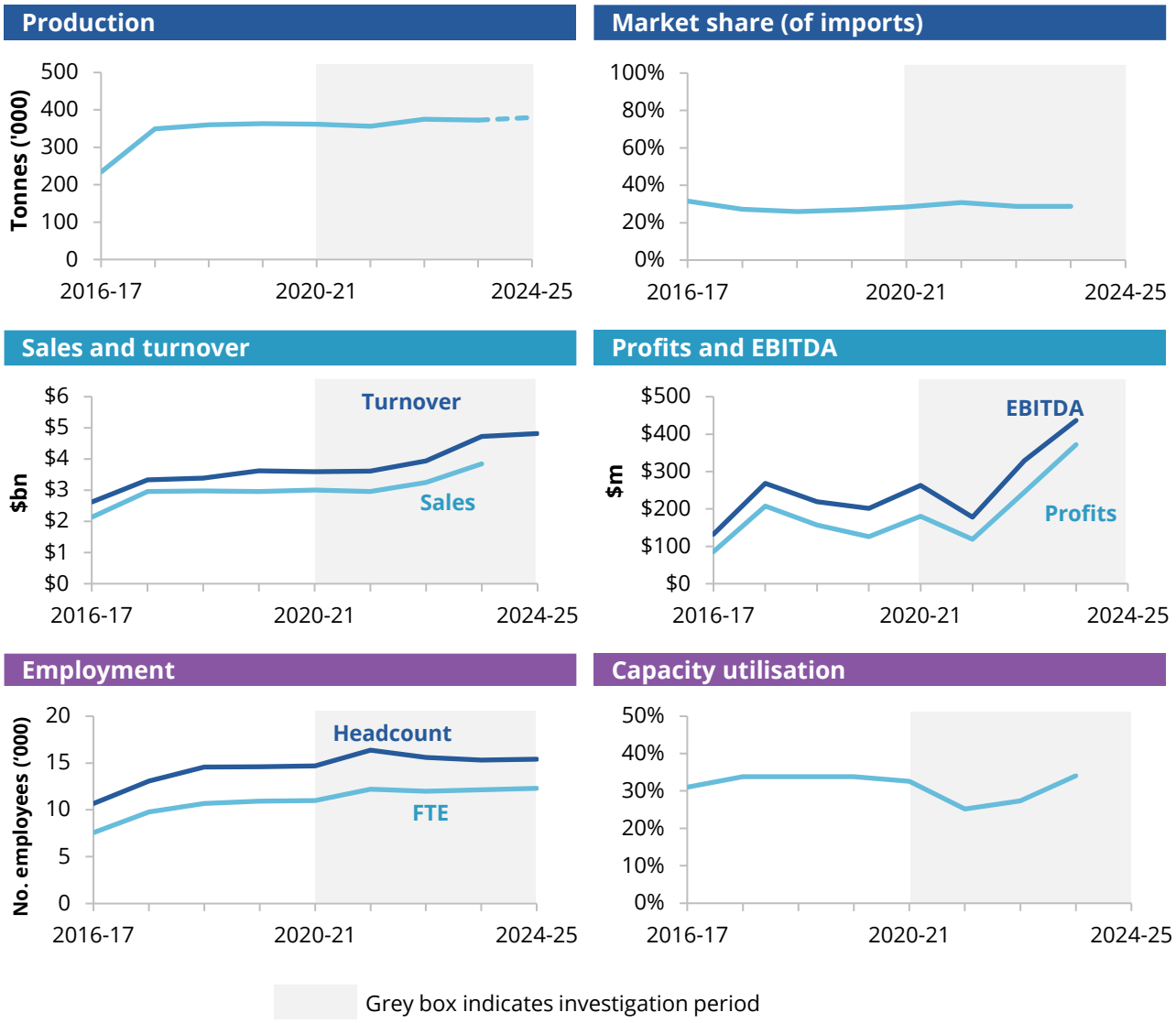
We have restricted the injury analysis to the large majority of businesses in our conservative population that have been assessed by the PC to be focused on structural steel fabrication rather than also undertaking other activities. The 314 firms included in this analysis may undertake activities beyond cutting, bending, welding and other processing activities where they are directly associated with fabrication activities. NEACH submitted that 'Engineering, detailing and project management directly associated with Australian fabrication should remain recognised as part of that activity's value-add' (sub. 69, p. 2).

The injury analysis indicates that production, sales, turnover, profits, earnings before interest, taxes, depreciation and amortisation (EBITDA), headcount, FTEs, productivity and capacity utilisation all improved over the investigation period (figure 4). Domestic market share based on value declined marginally, and alternative measures of production suggest a decline (as discussed previously). There is not evidence of serious injury in this cohort.

The PC tested these findings by also analysing the 'expanded' industry population of fabrication businesses. The additional businesses tend to be more diversified than those in the conservative population. Trends were similar in this broader cohort, and there is not evidence of serious injury.

The weight of evidence does not indicate significant impairment across the domestic industry for those focussing on FSS production, and outcomes for firms that may be more diversified are similar. The conditions for introducing a safeguard measure have not been met for either group.

Figure 4 – Analysis of administrative data does not reveal serious injury for the industry as a whole



Source: PC analysis using ABS administrative data, confidential information from key industry stakeholders, DFAT (2026a, 2026b). Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

While there are uncertainties in the industry outlook, the evidence does not show that serious injury is threatened

Analysis of the threat of serious injury must be 'based on facts and not merely on allegation, conjecture or remote possibility' (SA Article 4.1(b)). As noted above, recent evidence on imports and industry performance is particularly relevant, but short-term movements should be interpreted in the context of long-term trends (*US – Lamb*, paras. 136–138).

Data at the end of the investigation period does not indicate imminent serious injury. Most indicators, including sales, turnover, profit, EBITDA, headcount, FTEs, productivity and capacity utilisation improved in the most recent year of data. Preliminary BAS data for the first two quarters of 2025–26 indicate turnover levels comparable to what was recorded during the investigation period.

Other indicators of domestic FSS industry activity do not indicate that serious injury is clearly imminent. For example, data from the GAA suggests that the amount of steel galvanised in the first 3 quarters of 2025–26 was only 1.1% lower than the comparable period in 2024–25 (ASI, sub. 75, attachment 3).

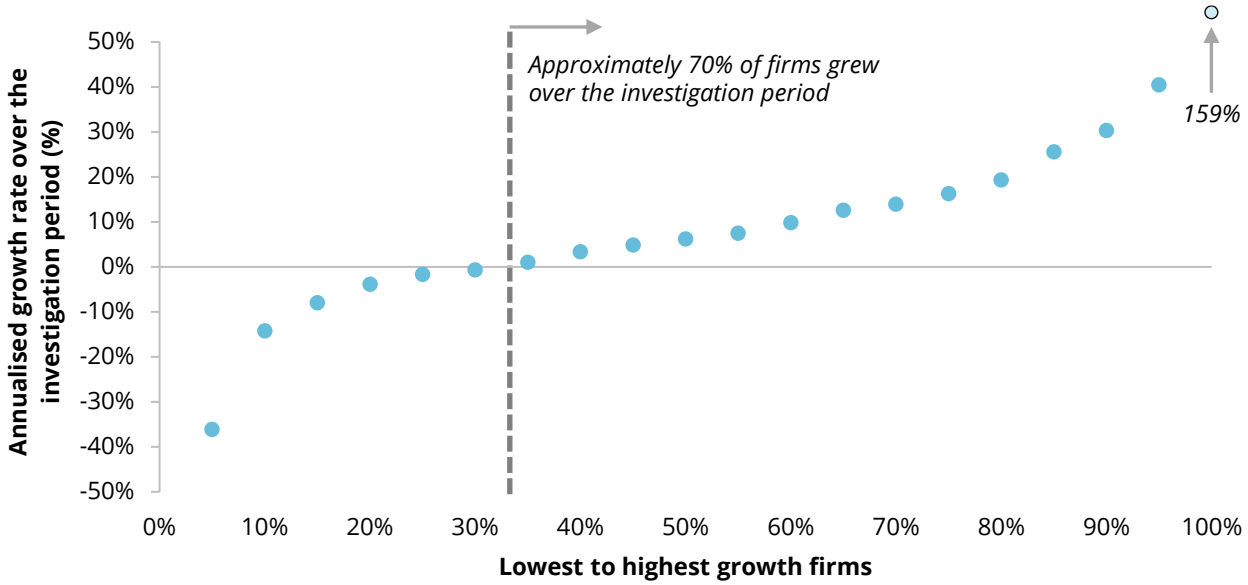
Preliminary import data for 2025–26 suggest the trend growth in imports has continued beyond the period of investigation using the PC's central estimate.

Some of the evidence received throughout this inquiry reported challenges to a range of existing businesses. This included reports of imports priced below profitable levels for domestic businesses. Others were operating at tight margins and were unable to make major investment decisions. The administrative data does show that some of the industry has experienced a significant decline in turnover over the investigation period (figure 5), but the PC's findings must be based on conditions in the industry overall.

Other evidence provided suggests that fabricators have started to change their business models. This includes shifting towards more complex and bespoke projects where imported fabricated steel may be less competitive or focusing on government-funded infrastructure, which can include local content requirements. Other participants have noted some shifts within the domestic FSS market. Firms which previously specialised in portal frames – identified as highly exposed to imports – have picked up more one-off project work, or firms have increased their activity in engineering and design-and-construction.

Figure 5 – Some fabricators have experienced a significant decline in turnover

Distribution of turnover compound annual growth rates by firm cluster



Compound annual growth in turnover is calculated in 2024–25 dollars. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating). Analysis excludes births and exits over the period.

Source: PC analysis using ABS administrative data.

Future arrangements

The Australian Trade Remedies Commission is now Australia's authorised body to undertake inquiries to investigate potential safeguard procedures for Australian industries. Information contained in the interim report, including the PC's views on quota and tariff quota measures being a least preferred option, and considerations for public interest assessment, may be of assistance to the Commission in undertaking future inquiries.

Findings

Finding 3.1
The increase in imports does not meet the standards required

The evidence shows that growth in imports, in absolute terms and relative to domestic production, does not meet the standard required by the WTO Agreement on Safeguards.

Finding 4.1
The Australian fabricated structural steel industry as a whole is not suffering serious injury and there is not a threat of serious injury

During the investigation period, the industry experienced an increase in most injury factors, including turnover, sales, production, profits and employment. The available evidence does not establish that there is a threat of serious injury.

Finding 5.1
The conditions for definitive safeguard measures are not met

There has been an increase in fabricated structural steel imports, but it does not meet the standards required for safeguard measures, and the evidence demonstrates that the industry is not experiencing serious injury. Nor does the evidence indicate that there is a threat of serious injury.

1. About the inquiry

Key points

- **Safeguard measures are for 'extraordinary emergency' situations to temporarily protect a domestic industry. They can only be applied if imports have increased in a recent, sudden, sharp and significant way that has caused or threatens to cause serious injury to the domestic industry.**
- **In response to an application from the Australian Steel Institute (ASI), the Productivity Commission was asked by the Treasurer to conduct an inquiry into whether safeguard action is warranted on the import of certain fabricated structural steel products.**

1.1 Safeguard measures

A safeguard measure is a trade barrier such as a tariff, quota, or tariff rate quota on imported goods that can be applied in limited circumstances to act as a 'safety valve' to allow a domestic industry 'to adapt to new economic realities' (Van den Bossche and Zdouc 2022, p. 689). Safeguard measures are an exception to the general direction of the multilateral trading system, which has largely focused on reducing trade barriers and promoting greater openness.

This is the final safeguards investigation to be conducted by the PC. Future investigations will be conducted by the Australian Trade Remedies Commission.

When can safeguard measures be applied?

The legal requirements for applying safeguard measures are set out in Article XIX of the GATT (*Emergency Action on Imports of Particular Products)* and the Agreement on Safeguards (SA). The substantive and procedural requirements have been explained and interpreted in decisions of World Trade Organization (WTO) panels and the WTO Appellate Body.

Safeguard measures can only be applied if imports have increased in a recent, sudden, sharp and significant way and have caused or threaten to cause serious injury to the domestic industry.

The WTO Appellate Body has stressed that a safeguard measure is 'an extraordinary measure that is applied in extraordinary circumstances' (*US – Line Pipe*, para. 111). Part of the purpose of safeguard measures is to enable countries to resort to 'an effective remedy in an extraordinary emergency situation that, in the judgment of that Member, makes it necessary to protect a domestic industry temporarily' (*US – Line Pipe*, para. 82).

Safeguard measures can be imposed regardless of whether imports are being 'dumped' (sold below normal value) or subsidised. And safeguard measures are generally not targeted at specific countries but instead apply to a product 'irrespective of its source' (SA Article 2.2).

There are strict legal criteria for applying safeguard measures.

- Imports of the relevant product must be increasing, in absolute terms or relative to domestic production, and the increase must be the result of unforeseen developments and the effect of Australia's GATT obligations. The increase must be 'recent enough, sudden enough, sharp enough, and significant enough, both quantitatively and qualitatively, to cause or threaten to cause "serious injury"' (*Argentina – Footwear (EC)*, para. 131).
- The domestic industry must be suffering 'serious injury', or there must be an imminent threat of serious injury. Serious injury means 'significant overall impairment' (SA Article 4.1(a)). The WTO Appellate Body has said this is a 'very high standard', 'much higher' than the standard of injury for anti-dumping matters (*US – Lamb*, paras. 126, 124). Serious injury must be assessed by considering various injury factors, including the rate and amount of the increase in imports, the share of the domestic market taken by increased imports, sales, production, productivity, capacity utilisation, profits and losses, and employment (SA Article 4.2(a)).
- There must be a 'genuine and substantial relationship of cause and effect' between increased imports and injury (*US – Wheat Gluten*, para. 69). Other causal factors must also be identified, to ensure injury caused by these other factors is not attributed to increased imports (SA Article 4.2(b)).

Safeguard measures can only be applied to the extent necessary to prevent or remedy serious injury caused by increased imports and to facilitate adjustment (SA Article 5.1).

Provisional safeguard measures can be introduced before safeguard investigations are completed, for up to 200 days, in 'critical circumstances where delay would cause damage which it would be difficult to repair' (SA Article 6). They can only be introduced if there is 'clear evidence' that increased imports have caused or are threatening to cause serious injury (SA Article 6).

Definitive safeguard measures lasting up to 4 years (inclusive of the time any provisional measures apply) can only be introduced following completion of the competent authority's investigation. Definitive measures can be extended subject to certain procedural requirements and determinations by the competent authority that they are still necessary to prevent or remedy serious injury, and there is evidence the industry is adjusting (SA Article 7.2).

When should a safeguard measure be applied? What measure?

If the legal tests for a safeguard measure are met, governments must still decide whether a measure should be introduced.

Safeguards are temporary, must be relaxed over time and are intended to prevent or remedy serious injury while facilitating adjustment. They are most likely to deliver lasting benefits where they give an otherwise viable industry time to respond to a temporary disruption or make changes that improve its capacity to compete without protection.

A public interest assessment should weigh the benefits of temporary relief against all material costs across the economy. Benefits may include preserving economically significant capabilities or improving resilience, where these can be demonstrated. A safeguard measure will generally raise costs for downstream industries and consumers and distort resource allocation. A proposed measure should be assessed against the status quo and more targeted policies that could address the identified problem more effectively or at lower cost.

Where a safeguard is introduced, its design should minimise economy-wide costs and unintended consequences. The PC considers that tariffs are generally preferable to quotas or tariff rate quotas. Tariffs are more transparent and less costly to administer and allow import volumes to respond as market conditions change. Quotas and tariff rate quotas can create scarcity rents, encouraging wasteful efforts to capture those rents. They can also become more restrictive as market conditions change, and require complex allocation arrangements.

The PC's views on measure design and public interest in the context of safeguard measures are recorded in chapter 6 of the inquiry's interim report.

1.2 Inquiry processes

Terms of reference

The terms of reference were received by the PC on 23 January 2026. The ASI made an application to the Australian Government requesting safeguard measures in November 2025. The terms of reference require the PC to provide this final report to Government by 23 November 2026.

Public notice

The Australian Government notified the WTO of the investigation on 23 January 2026. The notice is available on the WTO notification portal. The PC gave public notice of the inquiry on its website on 23 January 2026, in accordance with section 13 of the *Productivity Commission Act 1998* (Cth).

Submissions

The PC released a call for submissions paper on 24 February 2026. Inquiry participants were invited to make submissions in response by 20 April 2026. Extensions were granted to all participants who requested an extension. Non-confidential submissions were published on the PC's website as late as June 2026. Submissions were also received following the release of the interim report.

In total, the PC received 99 submissions: 75 of which are published on the PC website; 24 were provided in confidence and have not been published (treatment of confidential material is discussed below).

Consultation

The PC has met with 38 different organisations, and with some of these organisations more than once. We have met with individual domestic FSS producers, steel distributors, steel producers, construction firms, and peak bodies representing these market segments. We have also met with Australian and foreign government organisations, as well as the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters. Staff from the PC toured a steel distribution facility and several steel fabrication workshops in south-east Melbourne to gain a deeper understanding of the FSS industry.

Appendix A lists every organisation the PC has met with.

Public hearings

Public hearings were held from 13 to 15 May 2026. The PC invited participants to express an interest in appearing as a witness at the hearings and through a registration page on the PC's website. Everyone who indicated they wanted to appear as a witness was able to do so.

A complete list of witnesses is at appendix A. Transcripts of the hearings were published on the PC's website on 25 May 2026.

A further opportunity was provided to participants to make submissions after the hearing, by 1 June 2026. These post-hearing submissions are published alongside the transcripts on the PC website but are not numbered or included in the submission counts noted above.

Confidential material

Some inquiry participants sent the PC confidential material. This includes the ASI's original application and attachments, as well as a number of submissions and parts of submissions provided by other participants. Confidential material has been treated as such by the PC.

Consistent with section 16 of the Productivity Commission Act and Article 3.2 of the Agreement on Safeguards, the PC invited participants who provided confidential material to provide non-confidential versions or summaries for publication. Some did so, and this non-confidential material was published on the PC's website.

Because safeguard investigations are conducted as public inquiries, the PC places particular weight on evidence and reasoning that can be disclosed, scrutinised and responded to by interested parties. Our reasoning and findings are supported, as far as practicable, based on material that can be publicly tested through the inquiry process. Where confidential information has informed our analysis, this is clearly indicated.

2. Scope of the safeguard investigation

Key points

- **The product under investigation is defined by reference to 12 items in the Australian Tariff Code.**
  - The Productivity Commission has chosen to treat these as one product for the purposes of the investigation.
- **There is a domestic industry making 'like or directly competitive' products.**
  - The PC has identified Australian businesses that make the products that are 'like or directly competitive' and drawn on data about those businesses to conduct this investigation.
- **The period of the investigation is financial years 2020–21 to 2024–25.**
- **In accordance with Australia's trade agreements, imports from New Zealand and Singapore have been excluded from the investigation.**

2.1 The product under investigation

The terms of reference specify twelve 10-digit codes

The product under investigation is defined in the inquiry's terms of reference by 10-digit codes falling under heading 7308 of the Australian Tariff Code. Code 7308 generally captures:

- iron or steel structures and parts of structures
- iron or steel plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures.

The 12 codes in our terms of reference are:

- 7308100001 – Bridges and bridge-sections of iron or steel
- 7308900052 – Columns, pillars, posts, beams, girders, bracing, gantries, brackets, struts, ties and similar structural units, hot rolled, of iron or steel (excl. those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004)
- 7308900053 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, less than 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840)
- 7308900054 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, greater than or equal to 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840)
- 7308900055 – Same as above, roll formed, of iron or steel (excluding hot rolled; plated or coated with zinc or aluminium-zinc alloys; and HS 730810 to 730840)

- 7308900056 – Same as above, of iron or steel (excluding roll-formed structures and those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004)
- 7308900057 – Steel grating, stairways and treads (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004)
- 7308900060 – Handrails and stanchions, of iron or steel (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004)
- 7308900062 – Guard rails and road barriers, of iron or steel, prepared for use on bridges and roads
- 7308900063 – Sectional components, of iron or steel, prepared for use in towers and lattice masts
- 7308900064 – Lintels, of iron or steel, prepared for use with doors and windows
- 7308900065 – Structures and parts of structures and plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel (excluding those of HTISC 7308100001).

One submission noted that the 10-digit codes in the terms of reference capture 'a substantial range of unrelated steel products forming part of ordinary Australian distribution and import supply chains' (name withheld, sub. 59, p. 6). However, the Agreement on Safeguards (SA) does 'not set out rules for selecting the product under investigation, and for example they do not prevent a Member from including a range of products in a single investigation' (*EU – Certain Steel Products* (Panel), para. 7.34).

The PC has analysed the in-scope 10-digit codes together

In *EU – Certain Steel Products,* the Panel held that Article XIX of the General Agreement on Tariffs and Trade 1994 and the Agreement on Safeguards 'do not constrain the choice of product(s) under investigation' and investigating bodies 'can investigate and apply a safeguard on a range of products taken together' (para. 7.53). Another Panel rejected the argument that grouped products must be like or directly competitive with each other (*Dominican Republic – Safeguard Measures* (Panel), para. 7.181).

However, the conditions for applying a safeguard measure must be established in relation to the product as defined: the authority must demonstrate increased imports of that product, serious injury or threat of serious injury to the domestic industry producing the corresponding like or directly competitive products, and a causal link between the increased imports and that injury.

Consistent with these requirements, the PC has treated the twelve 10-digit codes in the terms of reference as a single product grouping, assessed import trends by reference to this product grouping, and assessed the condition of the domestic industry identified as producing the corresponding like or directly competitive products.

The products covered by the in-scope 10-digit codes share a common functional character as fabricated structural steel components prepared for use in structures. While they vary in their form and end use and are not generally substitutable from the perspective of buyers, they are produced by an identifiable group of firms using the same facilities, inputs, labour and processes. These features mean that analysing the products together reflects the organisation and production activities of the domestic industry and provides an appropriate basis for assessing the overall effects of imports on that industry. Identification of the domestic industry producing 'like or directly competitive' products is discussed in more detail below.

The way imports are recorded provides an additional rationale for grouping the in-scope 10-digit codes. The terms of reference include a residual 'other' category (7308.90.00.65) which accounted for between 72% and 84% of the volume of in-scope imports over the investigation period (PC analysis using ABS administrative data). This category likely includes products that could reasonably be included within the more specific codes. At the public hearings, the Australian Steel Institute (ASI) said that the 'other'

category 'is somewhat of a catch-all. If people weren't sure how to classify something when they're importing, or just weren't very careful, they use that' (transcript, 13 May, p. 7).

As a result, the distribution of imports across the 10-digit codes can be influenced by classification practices rather than substantive variation in the imports themselves. Analysing each tariff code in isolation could produce unstable or misleading results. For example, the PC has heard that import penetration has been greatest in the portal frames segment (ASI, post-hearing submission, p. 22) but the code that most naturally captures these products (7308.90.00.52) only accounts for around 1% of the in-scope products in volume terms (PC analysis using ABS administrative data). And while total imports of the in-scope 10-digit codes increased over the investigation period, imports of half of the codes actually declined. This outcome was driven by significant growth in the 'other' code (PC analysis using ABS administrative data). Given the overlap in the facilities, inputs, labour and processes used to produce products across the codes, these divergent trends seem more likely to reflect classification practices than substantive differences in import competition across the codes.

This all suggests that relevant imports are often recorded under the 'other' category 7308.90.00.65, which is consistent with the ASI's view. Analysing the codes together provides a more reliable basis for assessing the evolution of imports of fabricated structural steel and outcomes for the industry producing like or directly competitive products.

2.2 The domestic industry

The PC is required to identify the domestic industry producing products that are 'like or directly competitive' with the relevant imported product (SA Article 2.1).

Asked about whether its members make the products defined in the terms of reference, the ASI said that:

> most of our members can make at least some, if not all, of those products covered in those different tariff codes. … they are reasonably flexible in terms of the type of work that they can take on. That's not defined so much by the nature of the work, but what equipment they have and what level of specialisation they have by way of equipment. … Within the sort of things we've talked about, there isn't a fundamental difference between a portal frame structure and a really complex thing like a large naval ship, for example. (transcript, 13 May, pp. 6–7)

This aligns with what the PC has heard through engagement and submissions from fabricators, many of whom indicate they compete with imports across a range of the codes specified in the terms of reference.[3]

One submission suggested that some in-scope products, including gratings, handrails and stanchions 'are not fabricated by the structural fabricators the safeguard inquiry is purportedly seeking to protect' (name withheld, sub. 59, p. 6). These products are captured within the in-scope codes 7308.90.00.57 and 7308.90.00.60. However, a number of submissions from fabricators indicate that they do produce products within these codes.[4]

[3] For example: Brezac Constructions (sub. 38, p. 2); EDCON Steel (sub. 22, p. 2); First Line Engineering (sub. 34, p. 1); Gonzalez Steel (sub. 43, p. 1); HF Hand Constructors (sub. 25, p. 1); name withheld (sub. 44, p. 1; sub. 58, p. 1); Prince Engineering (sub. 3, p. 1); Sencova Steel Fabrication (sub. 26, p. 1); Westys Steel Fabrication (sub. 27, p. 1).
[4] The following submitters indicated they produce products within 7308.90.00.57 and 7308.90.00.60: Brezac Constructions (sub. 38, p. 2); Gonzalez Steel (sub. 43, p. 1); name withheld (sub. 58, p. 1); Weldlok Industries (sub. 36, p. 1). HF Hand Constructors (sub. 25, p. 1) indicated they produce products within 7308.90.00.57. First Line Engineering (sub. 34, p. 1) indicated they produce products within 7308.90.00.60.

In light of these considerations, the PC is satisfied there is a domestic industry producing products that are like or directly competitive with the relevant imported products.

The PC identified businesses comprising the domestic industry

Some inquiry participants suggested that heterogeneity across the 10-digit codes included in this investigation is a barrier to identifying the relevant domestic industry (Ministry of Commerce of the People's Republic of China, sub. 50, p. 3; China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, sub. 55, p. 4). If the domestic industry cannot be identified it would not be possible to analyse whether it is injured.

The PC has taken steps to identify a sufficiently large and representative group of businesses to examine for this safeguard investigation. For the interim report, the ASI provided the PC with a list of fabricator members that make the relevant products. According to the ASI's estimate, their fabricator members represent 70% of industry capacity (ASI 2026, pp. 9–10). In addition, the PC invited fabricator businesses that are not ASI members to register with us, but only 6 did so. A number of other fabricators were directly identified in the course of this inquiry, including some that have closed in recent years (these businesses were identified through direct engagement or have been named by people we have engaged with).

The PC is satisfied that it has a sufficiently large and representative sample of the relevant businesses to determine whether the domestic industry is suffering serious injury or is at threat of serious injury.

- For the interim report, the PC examined 333 ASI members and 34 additional businesses identified during the course of the inquiry. This group of 367 businesses was referred to as the 'conservative' population.[5]
- As a robustness check, the PC also examined an 'expanded' population that included 138 additional businesses that were common consumers of key fabricated structural steel inputs.

In response to feedback on the interim report from the ASI, the PC has further refined both the conservative and expanded groups of businesses to account for diversification among domestic producers. This is discussed below.

The PC has analysed the performance of domestic fabricators using data in the Business Longitudinal Analysis Data Environment (BLADE) in the ABS DataLab (box 2.1). Detail on the quantitative methods used by the PC is included in relevant parts of the body of the report and in appendix B.

To allow the ABS to prepare a customised BLADE dataset, the PC had to locate the Australian Business Numbers (ABNs) of in-scope businesses. The PC already held some businesses' ABN information (for example, where ABNs were included in submissions). However, for the vast majority of businesses, we needed to separately identify the relevant ABN.

For the interim report, the PC used an automated lookup process using the Australian Business Register to identify ABNs. This process identified the closest matches in the Register for the business name held by the PC and then checked for state and postcode matches. The process was adopted due to the large volume of ABNs initially being assessed by the PC.

[5] In the interim report, we referred to the conservative group as including 336 ASI members and 40 additional businesses. The underlying number of businesses aligns between the interim and final reports. However, these counts have been updated to reflect that some of the 40 additional businesses were also on the ASI member list and that 3 of the ASI members were either duplicates or were not fabricators. There was also a minor typographical error in the PC's interim report.

Following the release of the interim report, the PC manually checked the ABNs of all businesses being analysed. This process identified errors in the ABN identification process used for the interim report. The ABNs of approximately 10% of businesses analysed as part of the conservative population in the interim report were incorrect and have been replaced with correct numbers. For a further 28% of businesses, the ABN used was correct but was only one of multiple ABNs related to the businesses, so additional ABNs have now been included. Within ABS administrative data, a number of businesses[6] had additional ABNs identified as within their business group, and these additional numbers have also now been included where relevant.[7]

Replacing incorrect ABNs and adding ABNs had minor impacts on the analysis.

Box 2.1 – What are DataLab and BLADE?

The PC analysed administrative data from BLADE in the ABS DataLab. The analysis draws principally on Merchandise Trade Imports, Business Income Tax (BIT), Business Activity Statement (BAS), Pay As You Go (PAYG) data.

DataLab is a secure ABS research environment that allows authorised researchers to analyse detailed data for approved statistical and research purposes. Access is subject to strict confidentiality requirements and projects must have a public benefit.

DataLab is designed to protect the confidentiality of businesses and individuals. Researchers work with de-identified data and do not have access to identifying information such as business names or ABNs. Researchers are legally prohibited from attempting to identify any business or person. The information is protected by the *Census and Statistics Act 1905* (Cth), and the ABS is also subject to the *Privacy Act 1988* (Cth) and the Australian Privacy Principles.

BLADE, the Business Longitudinal Analysis Data Environment, is an integrated business dataset available through DataLab. It brings together administrative and survey information from sources including Business Income Tax (BIT), Business Activity Statements (BAS) and Pay As You Go (PAYG) data.

For this inquiry, the PC used only the information required to construct industry-level measures and relevant disaggregations (for example quartiles). The analysis was undertaken on de-identified records and is reported in aggregate. The PC supplied the ABS with a list of ABNs identifying the businesses to be included in the analysis, but the data made available to the PC did not contain business names or original ABNs. Results cannot be accessed outside DataLab until they have been checked and cleared by the ABS in accordance with its confidentiality requirements. This has allowed the PC to analyse changes in the industry over time without accessing the identity of individual firms or reporting individual results.

Analysis by the PC drawing on DataLab and BLADE is referred to throughout this report as ABS administrative data.

[6] The number of impacted businesses did not pass the rule of 10 DataLab clearance requirement, meaning the issue impacted fewer than 10 businesses.

[7] When businesses hold multiple ABNs for tax purposes, they can elect to report tax as a business group. In these cases, administrative data should be aggregated across all businesses.

The PC has accounted for diversification among domestic producers

In response to the interim report, the ASI submitted that whole-of-firm data is not appropriate for analysing the domestic FSS industry because businesses may undertake activities unrelated to the production of like or directly competitive products. In the PC's interim report, the analysis was based on whole-of-firm data for all firms identified as being members of the domestic industry. Drawing on *US – Washers*, the ASI argued that 'the injury factors must be evaluated on data specific to the like product' (sub. 75, p. 5). Several other submissions also queried the approach to accounting for industry diversification.[8]

In *US – Washers*, an exporting Member argued the authority should have looked at profitability of the broader 'laundry' segment, which includes washing machines. But the Panel considered that in undertaking their analysis, 'investigating authorities are required to evaluate the injury factors having a bearing on the domestic industry by reviewing data relating specifically to those "like or directly competitive products" that comprise the domestic industry' (*US – Washers*, Panel, para 7.114).

The magnitude of this issue appears to be different in *US – Washers* and the current investigation. Across the 14 public submissions to this inquiry that provided quantitative evidence on the share of revenue exposed to direct import competition, the median response was 80%.[9] In *US – Washers*, the in-scope products accounted for only about 13% of the applicant's total revenue (para. 7.117).

Nevertheless, the final report takes steps to account for this issue. A limitation of the administrative data used by the PC is that it does not easily support analysis of different parts of a business. This meant we could not directly isolate the share of businesses' income or other key metrics related to in-scope activities. Instead, we have assigned each business a diversification score. The assignment is based on information in submissions and business websites. Businesses were assigned a diversification score from 1 to 4 according to the following scale:

1. A business that largely focuses on structural steel fabrication.
2. A business that undertakes structural fabrication and some other activities. These businesses present as fabricators but they may also provide other goods and services. For example, they may provide labour or equipment hire in addition to fabrication services.
3. A business that may do some structural steel fabrication but is mainly focused on other activities. Businesses in this category typically present as a diversified operation in which fabrication might be one of several divisions. For example, they may do some fabrication but also offer mining equipment maintenance or electrical services.
4. A business that was initially identified as being a member of the domestic industry but close review indicates is not involved in the production of the in-scope products.[10]

[8] For example, Brezac Constructions (sub. 66, p. 3); HVAC Australia (sub. 67, p. 3-4); NEACH (sub. 69, p. 2).

[9] AMARCON (sub. 16, p. 1); Brezac Constructions (sub. 38, p. 2); CSF Industries Pty Ltd (sub. 17, p. 1); EDCON Steel (sub. 22, p. 3); First Line Engineering (sub. 34, p. 1); Gonzalez Steel Pty Ltd (sub. 43, p. 1); Kyst Engineering (sub. 18, p. 1); name withheld (sub. 7, p. 1; sub. 9, p. 1; sub. 31, p. 1; sub. 58, p. 1); Prince Engineering (sub. 3, p. 1); Stevens Group (sub. 5, p. 1); Westys Steel Fabrication (sub. 27, p. 1). Where submissions have estimated a range for the share of revenue exposure to direct import competition (for example, '50–70%') we have used the midpoint of this range for calculating the median across all submissions.

[10] These businesses were identified either due to being on the list of businesses supplied by the ASI or common consumers of key inputs to FSS production.

Based on this process, most members of the identified domestic industry appear to be focused on FSS production (table 2.1). Over 85% of the businesses in the conservative population were allocated a diversification score of 1.

The diversification scores are based on current business models, and so may not capture changes in businesses' activities over the investigation period. However, some of the changes reported during the inquiry would not necessarily have altered how those businesses were classified. As discussed in chapter 5, some firms have reported moving away from supply-only or relatively standardised fabrication work towards more complex and bespoke projects, turnkey contracts, and design-and-construct models. These changes broaden or change the activities undertaken by fabricators but generally remain centred on the production and delivery of FSS. As NEACH submitted, 'Engineering, detailing and project management directly associated with Australian fabrication should remain recognised as part of that activity's value-add' (sub. 69, p. 2).

The PC has used the diversification scores to narrow the populations included in our analysis, so that there can be the highest degree of confidence that it reflects what is happening in the domestic FSS industry.

- **The PC's findings in this final report are based on what the data indicate has occurred for the 314 businesses within the conservative population that have a diversification score of 1.** The minority of firms that have more diversified operations are excluded, which limits the extent to which the results reflect unrelated activities. References to or presentation of numbers in this report relating to the conservative population relate to what has occurred for these 314 businesses.
- When analysing the expanded population, the PC has also included businesses with a diversification score of 2. This means that references to or presentation of numbers in this report relating to the expanded population relate to 423 businesses (346 plus 77).

Table 2.1 – Most members of the domestic industry appear focused on FSS production

Counts of businesses in each population group by diversification score

Diversification score	Conservative population	Not in the conservative population	Expanded population
1	**314**	32	**346**
2	35	42	**77**
3	12	20	32
4	5	44	49
Total	366	138	504

On page 8, it is noted that the conservative population analysed in the interim report included 333 ASI member fabricators and 34 additional businesses, for a total of 367 businesses. Quality assurance undertaken since the interim report has resulted in 1 fewer business being included in the conservative population because an ABN for it could not be confidently identified.

Source: PC analysis.

The available data suggests that importing FSS by domestic fabricators is not widespread

The ASI has argued that including the activity of domestic fabricators without adjusting for the fact that some of them import FSS themselves could obscure injury experienced by the domestic industry and lead the PC to over-estimate domestic production (impacting relative imports estimates) (sub. 75, p. 6).

The ASI submitted that the population analysed by the PC includes businesses 'ranging from fabricators who import to supplement their own production through to businesses with only a nominal local presence that supply wholly or largely from imports' (no specific businesses were identified).

The PC believes that a business should not be excluded from the domestic industry because it also imports FSS. However, we acknowledge that where whole-of-business administrative data are used the activity recorded for these businesses may include sales or other activity associated with imported FSS.

To investigate this issue, the PC has used transaction-level import data to identify businesses in the domestic industry that directly imported FSS themselves. The PC acknowledges that the data may not capture every instance in which a domestic producer may supply imported FSS – for example, those using an intermediary – but we did not receive any information as to the prevalence of alternative supply chains.

There are relatively few fabricators that import FSS directly, and those imports account for a small share of FSS imports. Among the 314 businesses in the conservative population analysed to inform our findings, 43 imported FSS themselves at some point during the period of investigation, and those imports amounted to 1.4% of FSS imports in value terms over the investigation period (PC analysis using ABS administrative data). Among those firms for which cost of sales data was available, imports of FSS made up about 0.7% of their cost of sales (PC analysis using ABS administrative data).

The PC considered adjusting production and other injury factors to account for these imports. For example, direct imports of FSS could be subtracted from cost of sales to avoid counting imported FSS as part of fabricators' domestic production. However, doing so would have added complexity without material changes to the results given the scale of these imports.

2.3 The period of investigation

The inquiry's terms of reference are silent on what the period of the investigation should be, although the Australian Government's notice of initiation to the WTO references information from the ASI as highlighting growth in imports from 2020 to 2024 (WTO 2026, p. 2).

Identifying the appropriate start of the investigation period was complicated by potential distortions caused by COVID-19. A 5-year investigation period for this inquiry is long enough to account for these distortions when assessing trends in imports and conditions in the domestic industry. While some participants commented on earlier trends in import competition, most focused on the last 5 years (figure 2.1).

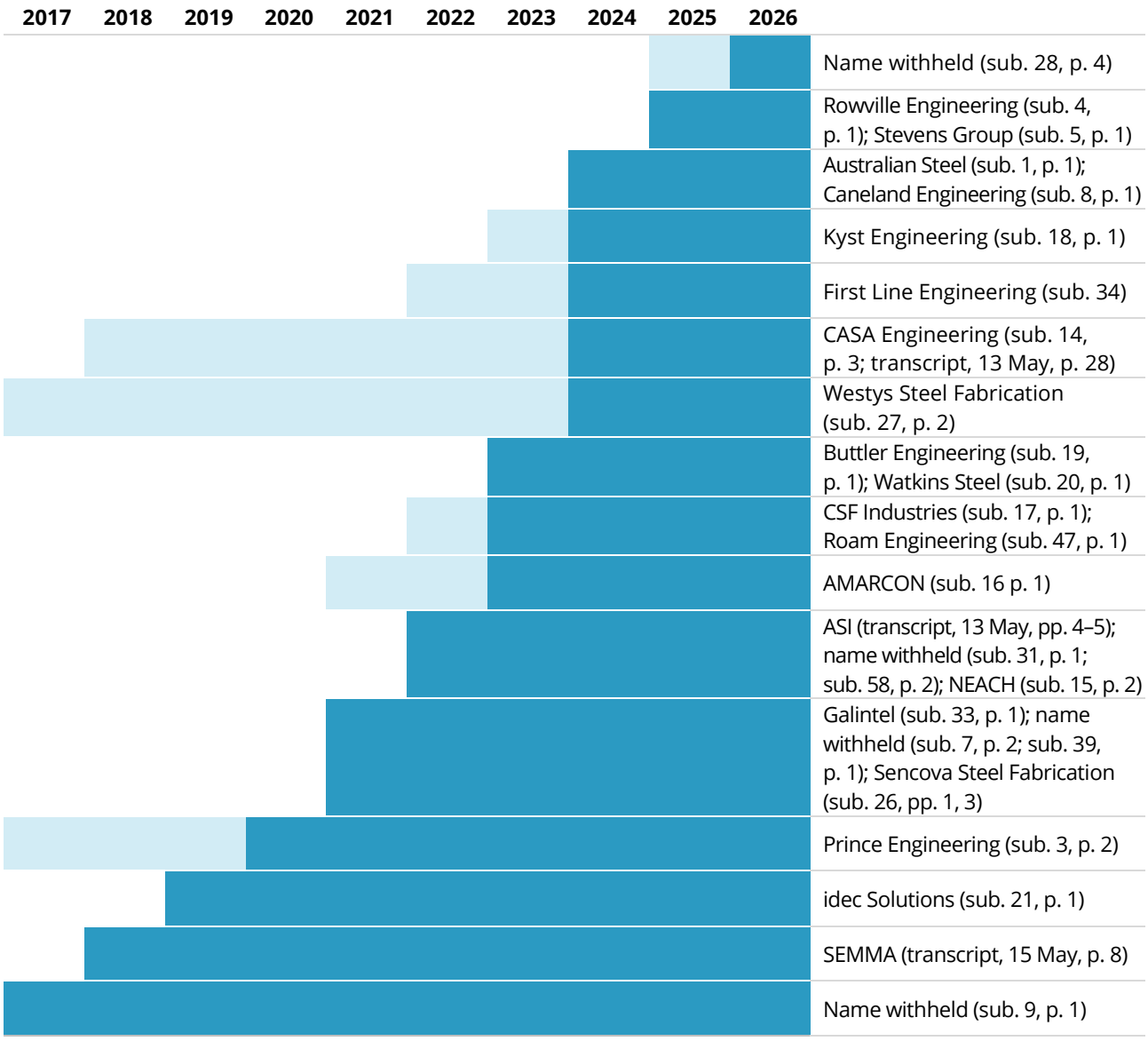
Concerning the end of the investigation period, some participants submitted that the period of investigation should include 2025, which is more recent than was proposed in the ASI application (2026, p. 19). The PC agrees. At the public hearings the ASI said it believed a surge in imports has 'continued into 2025 and 2026' (transcript, 13 May, p. 5). The WTO Appellate Body has emphasised that to apply safeguard measures, the increase in imports must have been 'recent' and the investigation period should therefore capture the recent past (*Argentina – Footwear (EC),* para. 130).

2024–25 is the most recent financial year for which enough data is available to analyse imports and injury. Data on absolute imports is available for all of 2024–25 (and the PC has been given access to preliminary imports data for 2025–26). Data on some injury factors is available up to 2024–25, and data on turnover is available for the first 2 quarters of 2025–26 (this is considered as part of the threat analysis in chapter 4). Data is discussed further in chapters 3 and 4 and appendix B.

Five-year investigation periods capturing the recent past have been used in many other safeguard measure investigations, including those conducted by the PC. In light of all these matters, the PC has determined that the investigation period will be financial years 2020–21 to 2024–25.

Figure 2.1 – Views on when imports increased are mixed

Inquiry participant indications of when imports of FSS increased, calendar year basis



Dark shading is used if the source indicated high confidence in this being a period of strong or growing import competition.

Light shading is used if the source indicated uncertainty over timing or mild import competition.

Much of the data underpinning this figure is based on information from fabricators provided in response to a questionnaire circulated by the ASI. The survey asked 'Have you observed increased import penetration in your product category?' and 'Over what period?' Where respondents indicated a range ('3-5 years', for example) we have taken the mid-point of the range. The data underpinning the figure is often presented in calendar year terms, so the figure is presented in calendar year terms (though the period of investigation is defined in financial year terms). Some of the cited submissions indicated import competition started even earlier. For example, Prince Engineering said it had observed sustained growth in import penetration 'over approximately the last 5-7 years, with the most pronounced acceleration occurring in the renewable energy and large infrastructure sector since 2012' (sub. 3, p. 2).

2.4 Excluded countries

As a general rule, if safeguard measures are applied, they should apply to the product being imported 'irrespective of its source' (SA Article 2.2).

There are some exceptions to this 'non-discrimination' principle, including under certain trade agreements.

Australia's trade agreements with Singapore and New Zealand preclude Australia from imposing safeguard measures that would apply to these countries.[11] The 'principle of parallelism' requires that there must be symmetry between the products investigated and the products on which any safeguard measure is later applied, so Singapore and New Zealand have been excluded from the investigation (*US – Steel Safeguards*, section VII). In any event, Australia imports very little FSS from these countries.

Australia also has bilateral or plurilateral free trade agreements with a number of countries that export FSS to Australia, including the People's Republic of China, Vietnam, Malaysia, Indonesia and the United States of America. These agreements do not preclude Australia from imposing safeguard measures that would apply to these countries. These countries have not been excluded from the scope of this inquiry.

[11] See article 17 of the Australia–New Zealand Closer Economic Relations Trade Agreement and article 15 of the Singapore–Australia Free Trade Agreement.

3. Imports

Key points

- **Imports of fabricated structural steel (FSS) have increased during the investigation period but the increase does not meet the high legal standard for safeguard measures.**
  - Growth in imports was relatively consistent when considering the investigation period as a whole.
  - This finding holds for both absolute and relative imports.
- **The PC considered alternative approaches to estimating imports and domestic production but has retained the methods developed by the PC for the interim report.**
  - Imports as measured using an alternative approach informed by the Australian Trade Remedies Commission (ATRC) are systematically lower than Productivity Commission estimates but follow a similar growth pattern.
  - Different measures of domestic production present conflicting evidence for the purpose of assessing relative imports. The PC has retained the approach used in the interim report of estimating domestic production using administrative data on the FSS industry because we believe this is the most rigorous approach available.

Safeguard measures can only be applied if a product is being imported 'in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry' (Agreement on Safeguards (SA) Article 2.1). WTO jurisprudence has interpreted the Agreement on Safeguards as requiring that the increase in imports is recent, sudden, sharp and significant (*Argentina – Footwear (EC)*, para. 131). In addition, the increase in imports must result from both 'unforeseen developments' and the effect of the obligations Australia incurred under the General Agreement on Tariffs and Trade (GATT, Article XIX, para. 1(a)). [12]

3.1 How have imports changed?

As indicated in figure 2.1 (chapter 2), there are a range of views on the timing of import competition as an issue for the Australian FSS industry.

[12] 'Unforeseen' means unforeseen when the relevant GATT obligations were introduced in 1994 (Zhou and Fang 2023, pp. 544, 551).

Regarding absolute imports, the ASI's application states that:

> Since CY2022, there has been a clear and sustained surge in import volumes across the consolidated category of key FSS products. Total imports have expanded markedly year-on-year, reflecting the import growth in modular and prefabricated steel solutions. (2026, p. 19)

The application includes similar comments regarding relative imports:

> The period from CY2022 to CY2024 witnessed a significant surge in FSS imports into Australia that substantially exceeded domestic production output. This surge has fundamentally disrupted the competitive balance between imported and domestically produced FSS, with import volumes and pricing creating market conditions that have severely impacted the viability of local production. (2026, p. 21)

For this investigation, the PC has undertaken detailed analysis of in-scope FSS imports. The analysis drew on the Merchandise Trade Imports module in BLADE, which is based on data collected by the Australian Border Force. This dataset includes data on all import transactions. To calculate relative imports, domestic production has been estimated using ABS administrative data and information from members of the steel industry. We also reviewed submissions from inquiry participants. Appendix B details how the PC estimated domestic production.

Absolute imports have increased but there has not been a sudden surge

The PC has investigated alternative methods for estimating imports in response to stakeholder feedback, but these do not produce different results and are not as fit-for-purpose as the method developed by the PC for the interim report.

In response to stakeholder feedback on the interim report, as a validity check on central estimates, the PC has estimated imports using an approach informed by the ATRC's analysis in some anti-dumping investigations (ATRC, pers. comm., 3 November 2026). This approach focused on HTISC 7308.90.00.65 and primarily differs from the PC's central approach by removing, rather than imputing, outlier and missing data cases. It also excludes estimated imports of non-FSS products under HTISC 7308.90.00.65. This is presented as a range to reflect previous analysis by the ATRC of the product descriptions included on import declarations.[13] The ATRC examined the detailed product descriptions included on import declarations from 2019 to 2024, and found that approximately 25% to 35% of transactions under HTISC 7308.90.00.65 (the category which captures products not classified elsewhere) were non-FSS in any given year (ATRC, pers. comm., 18 November 2026).

The PC found this produced the same conclusions as our central approach. Both approaches reflect similar trends in the data, with the main differences being that the ATRC approach leads to a downwards level shift and slightly flatter trend.[14] However, the PC's original method has been retained as we do not have access to the product description data, and we consider that imputing missing volume data is preferable to excluding the relevant transactions (as has been done in some anti-dumping investigations).

[13] In some prior anti-dumping investigations, unrelated to this safeguards inquiry.

[14] Note that this validity check is close but not identical to the method previously employed by the ATRC. The PC does not have access to the detailed product descriptions on import declarations that would be needed to fully implement the ATRC approach and has instead adjusted its imports series down by 25% and 35%.

Over the 5-year investigation period from 2020–21 to 2024–25, annual imports increased by 131,000 tonnes or 29.3% (table 3.1, figure 3.1). This reflects a compound annual growth rate of 6.6%. During the investigation period, the largest annual increase occurred in 2021–22 when imports increased by 83,900 tonnes, or 18.8%. This was followed by a 4.2% decline in imports in 2022–23, then increases of 5.3% and 8.0% for 2023–24 and 2024–25 respectively.

The PC considers that the annual average growth rate of 6.6% during the investigation period is recent and significant in size, but does not display a pattern that is sudden or sharp. As additional context, imports grew at an annual average rate of 15.6% from 2016–17 to 2020–21.

Growth in absolute imports before, during and after the investigation period is evident in quarterly data (figure 3.2). This is discussed further in chapter 4 in the context of whether there is a threat of serious injury.

Table 3.1 – Absolute imports

Annual imports of in-scope FSS over the investigation period

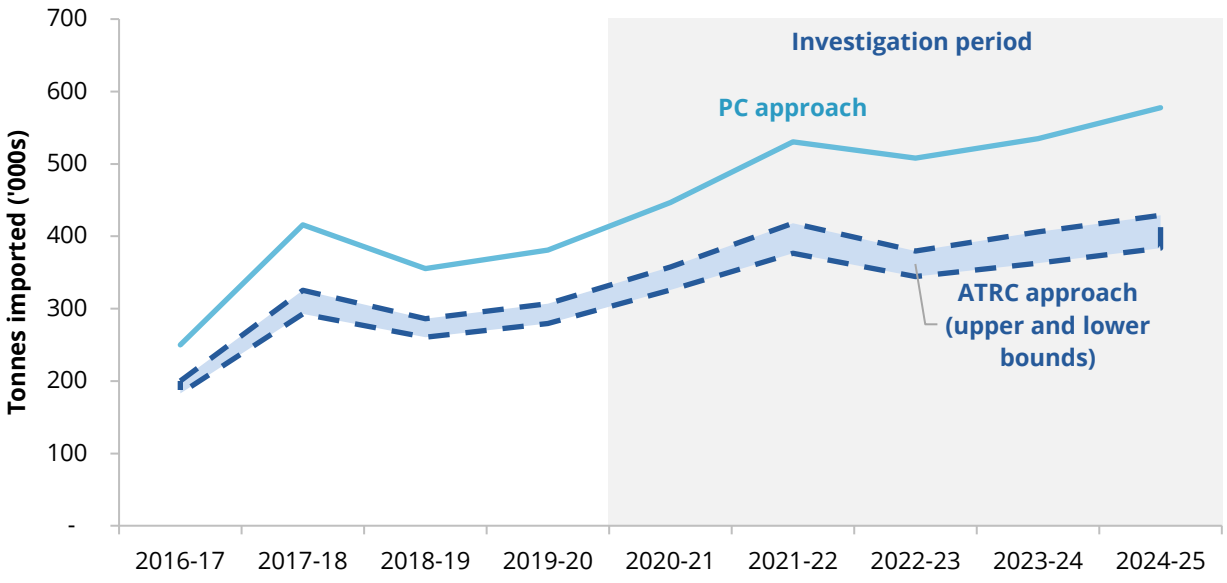
	Imports (tonnes)	Absolute change relative to previous year (tonnes)	Percentage change relative to previous year	Index
2020–21	446,500			100.0
2021–22	530,400	83,900	18.8%	118.8
2022–23	507,900	-22,500	-4.2%	113.8
2023–24	535,000	27,100	5.3%	119.8
2024–25	577,500	42,600	8.0%	129.3

Data on tonnes has been rounded to the nearest 100 tonnes. Percentage change and index figures are based on actual (pre-rounding) numbers. Inconsistencies are due to rounding.

Source: PC analysis using ABS administrative data.

Figure 3.1 – Absolute imports (financial year basis)

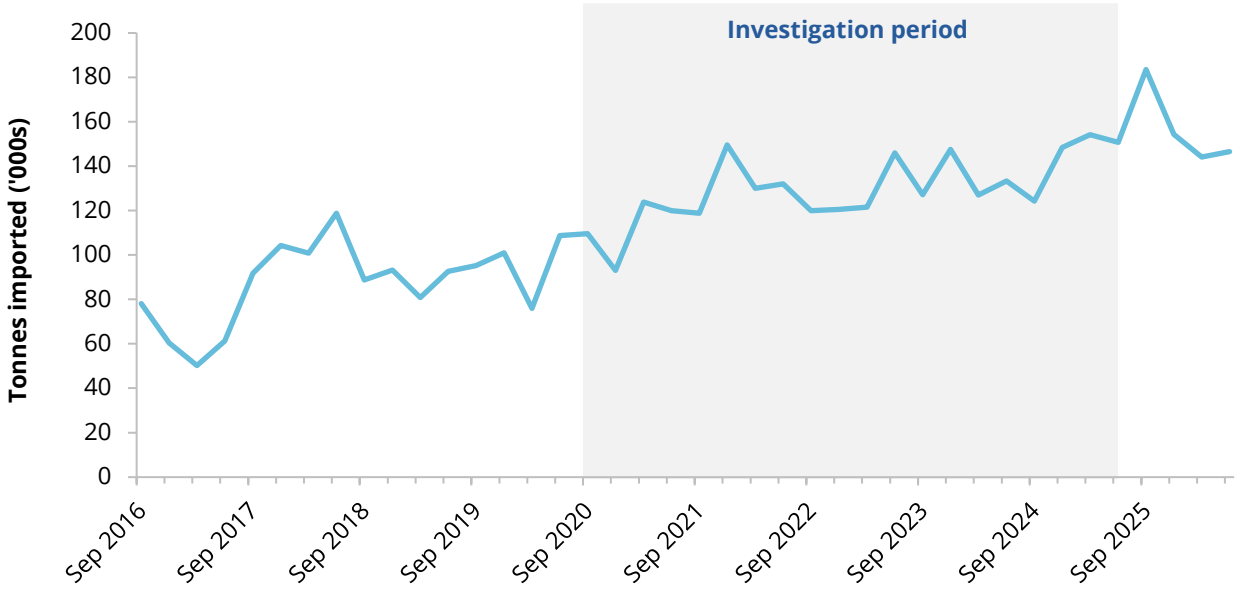
Annual imports of in-scope fabricated structural steel



Source: PC analysis using ABS administrative data.

Figure 3.2 – Absolute imports (quarterly basis)

Quarterly imports of in-scope fabricated structural steel



Data for 2025–26 is preliminary. It will not be final until the December 2026 reference month estimates are published in early 2027 (ABS 2026c).

Source: PC analysis using ABS administrative data.

Relative imports have not increased in a way that meets the conditions for introducing a safeguard measure

The increased imports requirement for safeguard measures can be met if there is an increase in imports 'relative to domestic production' (SA Article 2.1). As with absolute imports, the relative increase must be recent, sudden, sharp and significant.

Calculating relative imports (the ratio of imports to domestic production) requires data on domestic FSS production. The PC has estimated domestic production based on ABS administrative data and information from members of the FSS industry. Various other indicators of domestic production trends were also considered, including in response to feedback received on the interim report.

Estimating production

There is no official or widely accepted measure of domestic FSS production. The PC has estimated production using administrative data and information collected through the inquiry. The estimates are based on:

- the cost of sales data submitted through business income tax returns. This reflects the costs that businesses incur in producing the goods and services they sell, including inputs such as steel and other materials, as well as labour costs
- the share of cost of sales spent on raw/semi-processed steel (not including bolts/fixtures) provided by a sample of fabricators
- the average price per tonne of raw steel provided by industry participants
- the proportion of steel wastage during fabrication provided by a sample of fabricators.

The method starts with observed administrative data, which provides a direct data point on the cost of business inputs for the industry, and makes adjustments for the share, price and wastage of raw steel to convert expenditure into an estimated volume of FSS production. The method is discussed in more detail in appendix B.

For this final report, the PC has considered other estimates and indicators of domestic production, including imports of upstream inputs, data from the Galvanizers Association of Australia (GAA) on the amount of steel galvanised,[15] and estimates from the ASI. However, we have retained the approach used in the interim report as the most reliable method of estimating production.

Different sources of evidence imply different trajectories for domestic production (figure 3.3), and all sources have limitations.

- Imports of key upstream steel inputs represent only one channel for sourcing those inputs – public data on domestic production of equivalent products is not generally available. And these imported inputs are not only used to produce FSS.
- InfraBuild's proxy metric for domestic FSS production tracks imports and domestic production of steel used by domestic fabricators, but only hot rolled structural sections.
- Estimates of FSS production based on steel tonnes galvanised are sensitive to the assumed share of FSS production that is galvanised. The GAA estimates this share at about 30% and considers it stable over time (GAA, pers. comm., 23 October 2026), while an ASI survey of 19 fabricators suggests around 40% was galvanised in 2025, albeit with substantial variation (5% to 96%) (pers. comm., 4 November 2026).
  - Taking the midpoint of 35%, the data on tonnes galvanised would imply that domestic FSS production fell by about 206,300 tonnes over the investigation period, compared with a 131,000 tonne increase in imports. This would mean that the total FSS market was 4.6% smaller in 2024–25 compared with 2020–21.[16] Comparing the same years, chain volume measures of engineering construction and non-residential building construction were 37.4% and 10.4% higher respectively, so a reduction in total FSS is unlikely (ABS 2026a, 2026b).
  - If the share of domestic FSS production that is galvanised has changed over time (as might be expected if the types of FSS produced have changed), consistently applying a constant market share figure would produce incorrect estimates of total FSS production.
- The method used by the ASI to estimate FSS production has not been published.

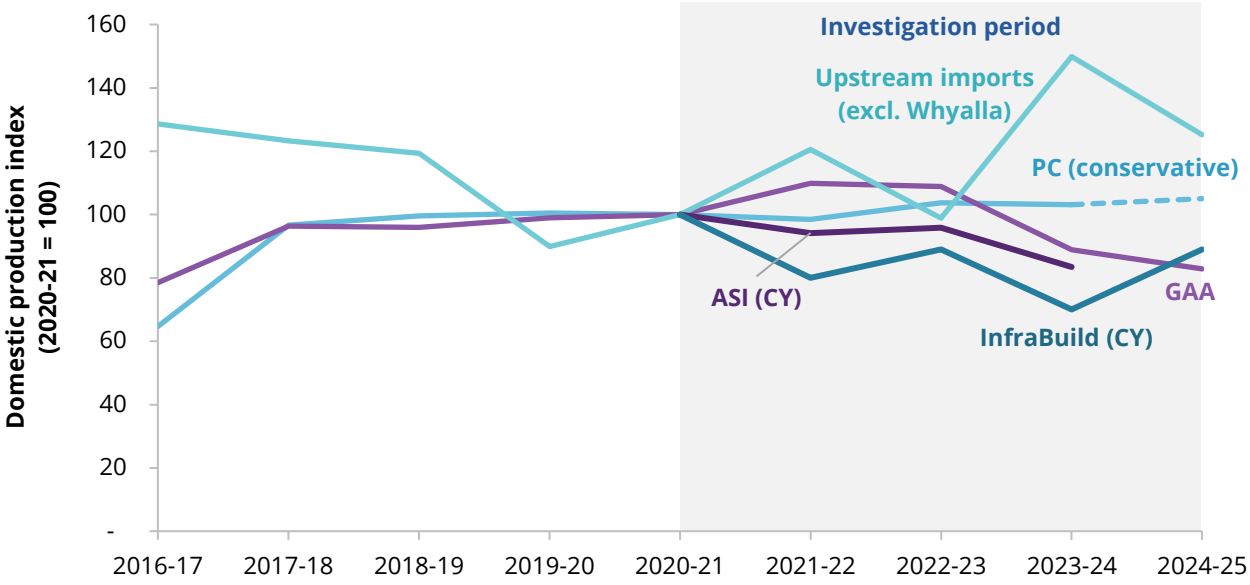
[15] The GAA data is based on SHG (special high grade) zinc sales data sourced from Trafigura (owner of the Nyrstar Hobart refinery) and Sun Metals (owner of the Townsville refinery) (GAA, pers. comm., 26 October 2026). The data covers all SHG zinc sales to galvanisers servicing the Australian FSS industry – the galvanisers do not source SHG zinc from international markets. GAA estimates steel tonnes galvanized by multiplying the tonnes of zinc purchased by 20. This reflects an assumption that, on average, each tonne of zinc is used to galvanise 20 tonnes of FSS (GAA, pers. comm., 26 October 2026). GAA compares this estimate with confidential data it holds on its members' galvanising throughput to ensure validity. The GAA indicated that its members comprise approximately 86% of domestic galvanising capacity (and this has been stable over time) and that 94% of steel tonnes galvanised in Australia is estimated to be relevant FSS products (and this has also been stable over time).

[16] FSS production is estimated using the GAA data by multiplying tonnes of steel galvanised by 0.94 and dividing by 0.35 (to reflect the GAA estimate that 94% of steel tonnes galvanised are relevant FSS products, and the midpoint estimate that 35% of FSS is galvanised).

- The PC's estimates of domestic production may capture imported FSS where it has been purchased by fabricators themselves. As discussed above, the available evidence does not indicate this is a major feature of the industry, with direct imports of FSS by fabricators accounting for less than 1.4% of total in-scope imports over the investigation period (PC analysis using ABS administrative data). The estimates also rely on a number of assumptions (for example, the share of cost of sales spent on steel). These were detailed in the interim report and are also included in appendix B of the final report.

On balance, the PC considers that our approach for estimating domestic production is the most reliable basis for assessing changes in relative imports. The estimates are based directly on administrative data, predominantly related to businesses identified by the ASI as members of the domestic industry. The PC's estimates indicate a modest increase in production over the investigation period.

Figure 3.3 – Different sources indicate different trajectories for domestic production



'CY' denotes data measured on a calendar year basis. 31 codes were identified to be key contributors to upstream imports, though 4 codes were determined to most closely relate to Whyalla Steelworks production and were removed to account for disruptions in recent years (the disruptions are understood to have considerably increased use of imported products that would otherwise have been sourced from the Whyalla Steelworks). This is discussed further in appendix B. ASI figures are included, though it is noted that the methodology for calculating these figures is not on the public record.

Source: PC analysis using ABS administrative data, ASI (sub. 75, attachment 3), InfraBuild (sub. 40, p. 12).

Assessing relative imports

Two series for relative imports are presented, each based on a different estimate of domestic production.

- First, domestic production has been estimated based on the 314 firms in the conservative population that have been assessed as being mainly focused on structural steel fabrication (diversification score of 1). These firms may undertake activities beyond cutting, bending, welding and other processing activities where they are directly associated with fabrication activities.
- Second, domestic production has been estimated based on the 423 businesses that are members of the expanded population and have been assessed as being producers of FSS but may also do some other activities (diversification score of 1 or 2). Additional detail on industry identification is included in appendix B.

The PC considers that estimates based on the conservative population are sufficient for making findings about whether relative imports have increased in a way that satisfies the requirements for a safeguard measure. However, the estimates for the expanded population are included because they may give a more accurate representation of the total size of the domestic industry (noting that the analysis of the expanded population includes more diversified businesses).

Based on the conservative population, PC analysis indicates that relative imports increased from 123.4% to 152.0% over the investigation period,[17] an increase of 28.6 percentage points (table 3.2; figure 3.4).

Based on the expanded population, PC analysis indicates that relative imports increased from 74.5% to 93.0% over the investigation period, an increase of 18.5 percentage points (table 3.2; figure 3.4). These figures are significantly lower on a level basis than those estimated using the conservative population because the expanded population includes more businesses. The pattern of increases and decreases in relative imports is similar under the conservative and expanded populations.

The PC considers that, over the investigation period, relative imports have not increased in a way that is recent, sudden, sharp and significant, whether using the conservative or expanded populations. As with absolute imports, it is noted that some years within the period of investigation reflected sharper increases in relative imports than others. However, the change over the investigation period as a whole does not meet the requirements to introduce a safeguard measure.

Table 3.2 – Relative imports

	Conservative population		Expanded population	
	Relative imports	Year-on-year change	Relative imports	Year-on-year change
2020–21	123.4%		74.5%	
2021–22	148.9%	25.5 pp	95.9%	21.4 pp
2022–23	135.4%	-13.6 pp	87.3%	-8.6 pp
2023–24	143.4%	8.1 pp	86.9%	-0.4 pp
2024–25	152.0%	8.6 pp	93.0%	6.1 pp

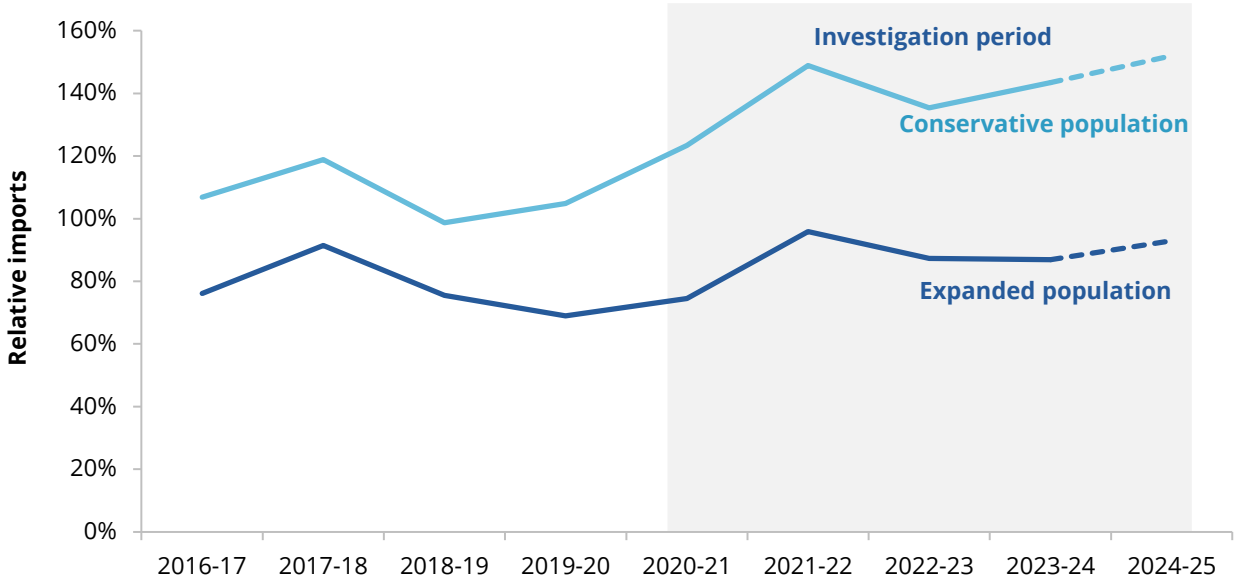
Cost of sales data is used to estimate domestic production (and therefore relative imports) but is not available for 2024–25. Production in 2024–25 has been calculated by multiplying its 2023–24 value by the growth in real turnover in 2024–25. This is discussed further in appendix B.

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

[17] Figures of over 100% are possible because relative imports are calculated by dividing imports by estimated domestic production; this will be greater than 100% if imports are greater than estimated domestic production.

Figure 3.4 – Imports relative to domestic production

Annual relative imports of in-scope fabricated structural steel



Cost of sales data used to estimate domestic production (and therefore relative imports) is not available for 2024–25. Production in 2024–25 has been calculated by multiplying its 2023–24 value by the growth in real turnover in 2024–25. This is discussed further in appendix B.

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

Finding 3.1
The increase in imports does not meet the standards required

The evidence shows that growth in imports, in absolute terms and relative to domestic production, does not meet the standard required by the WTO Agreement on Safeguards.

3.2 Unforeseen developments and GATT obligations

To apply safeguard measures, the recent, sudden, sharp and significant increase in imports must be the result of 'unforeseen developments' and the effect of the obligations Australia incurred under GATT in 1994 (Article XIX, para. 1(a)).[18] 'Unforeseen' means unforeseen when the relevant GATT obligations were introduced in 1994 (Zhou and Fang 2023, pp. 544, 551).

The PC's finding is that the increase in imports does not meet the legal standard for introducing definitive safeguard measures (chapter 5). This means it is not necessary to consider the 'unforeseen developments' test. Evidence and views on the causes of growth in FSS imports and potential implications in the context of GATT obligations are available in the interim report.

[18] Under GATT, Australia agreed not to impose tariffs on the relevant products above bound rates of 7.7% or 10%, depending on their tariff classification (WTO 1994, p. 202). Australia generally applies tariffs of no more than 5% to these products (Australian Border Force 2024). Provided the goods satisfy applicable rules of origin, imports from several countries Australia imports FSS from enter tariff free, including China and Vietnam.

4. Injury

Key points

- **To apply safeguard measures, an increase in imports must be demonstrably causing serious injury or there must be a threat of serious injury.**
  - 'Serious injury' means 'significant overall impairment' to the industry as a whole. The Agreement on Safeguards requires that the investigation of injury is based on objective and quantifiable evidence, including a number of specific 'injury factors'.
  - 'Threat of serious injury' means serious injury that is 'clearly imminent'. The Agreement on Safeguards requires the investigation of threat to be based on facts, 'not merely on allegation, conjecture or remote possibility'.
  - A recent, sudden, sharp and significant increase in imports must be shown to be causally responsible for either serious injury or threat thereof if a safeguard measure is to be introduced.

- **Based on the weight of evidence available, the Productivity Commission finds that the Australian fabricated structural steel (FSS) industry as a whole is not suffering serious injury and there is not a threat of serious injury.**
  - The injury analysis indicates that production, sales, turnover, profits, EBITDA, headcount, FTEs, productivity and capacity utilisation all improved over the investigation period. Domestic market share based on value declined marginally, and alternative measures of production suggest a decline.
  - Evidence from inquiry participants and administrative data indicates variation in the performance of different parts of the industry, but the safeguard investigation must be based on the condition of the industry as a whole.
  - Submissions indicate challenging tendering conditions and pressure in some segments, but there is insufficient evidence that significant industry–wide impairment is clearly imminent.

4.1 Assessing injury

Safeguard measures can only be applied if a recent, sudden, sharp and significant increase in imports has caused, or threatens to cause, serious injury to the domestic industry producing like or directly competitive products (SA Article 2). 'Serious injury' means 'a significant overall impairment in the position' of the domestic industry and 'threat of serious injury' means 'serious injury that is clearly imminent' (SA Article 4). If both of these conditions are met, it must then be established that the serious injury or threat thereof is causally linked to the increase in imports and not due to unrelated factors (*Argentina – Footwear (EC)*, para. 8.267; SA Article 4.2(b)).

To assess whether Australia's FSS industry is experiencing serious injury, the PC must evaluate 'all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry', including at a minimum those set out in Article 4 of the Agreement on Safeguards:

- changes in sales
- changes in profits and losses
- changes in employment
- changes in productivity
- changes in capacity utilisation
- changes in production
- the rate and amount of the increase in imports in absolute and relative terms
- the share of the domestic market taken by increased imports.

Not every factor needs to indicate serious injury: the PC must consider all factors and decide whether they indicate that the industry is suffering 'significant overall impairment'. The WTO Appellate Body has emphasised that serious injury is a 'very high' and 'exacting' standard, higher than the material injury threshold used for anti–dumping and countervailing measures (*US – Lamb*, para. 124).

The PC has used administrative data to understand trends in the FSS industry

To analyse whether the Australian FSS industry is experiencing significant overall impairment, the PC has drawn on firm–level anonymised ABS administrative data. The data is based on individual firms' Business Income Tax (BIT) returns, Business Activity Statements (BAS) and Pay As You Go (PAYG) submissions. The PC has relied on BIT for assessing most injury factors in most years, because BIT data is derived from business tax returns and provides the most comprehensive insight on business performance (McMillan and Burns 2021, p. 3).

For most of the injury factors, the estimates are based on the performance of ASI fabricator members and fabricators directly identified during the course of this inquiry. This is referred to as the conservative population and likely produces estimates that understate the total size of the Australian FSS industry. The analysis focuses on the large subset of this population largely focused on structural steel fabrication (i.e., firms allocated a diversification score of 1). See chapter 2 for further detail on diversification score classification.

For some injury factors, estimates for an expanded industry group are also presented to test the robustness of the results based on the conservative population. This expanded population adds firms that were identified as purchasers of key FSS inputs through multiple sources. These are businesses largely focused on structural steel fabrication and those which may undertake some other activities in addition to structural steel fabrication (i.e., firms with diversification scores of 1 and 2).

Population identification is discussed further in chapter 2 and appendix B. The PC's analysis and findings hold regardless of which set of firms is assessed. For key injury measures of the expanded population, see appendix B.

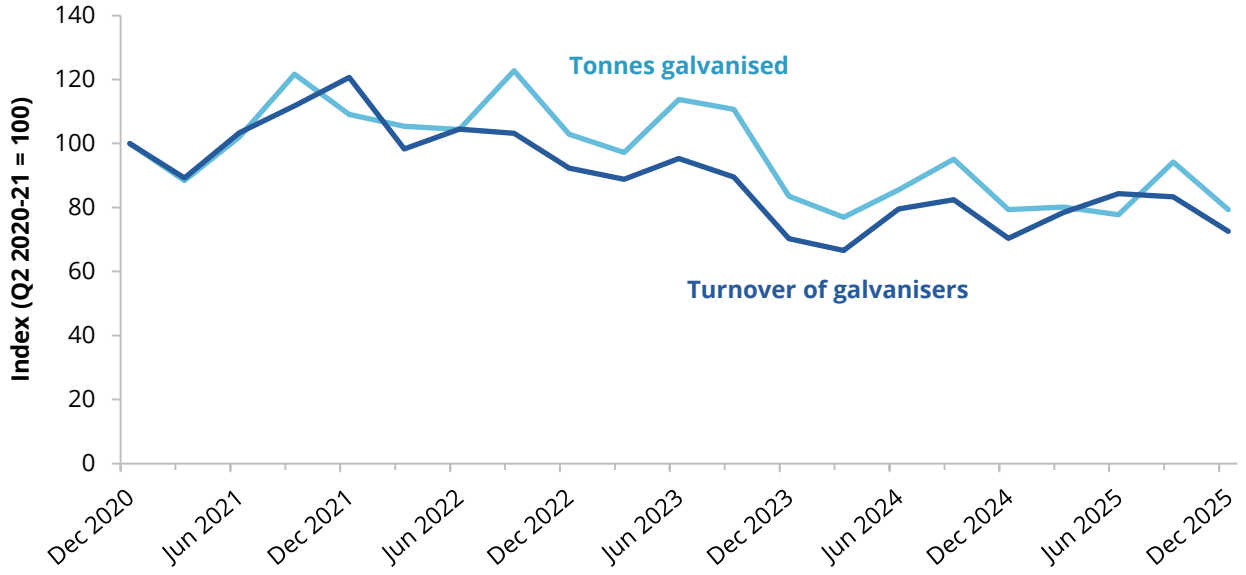
The PC considers administrative data to be the best available source for assessing overall industry performance. It provides broad coverage, uses information firms have already reported to the ATO (subject to the legislative definitions, reporting requirements and quality assurance standards of the Australian tax system) and reduces the burden on industry.

Administrative data also helps reduce selection bias. Unlike a survey, it is less likely to overrepresent firms that are still operating, or firms experiencing particular difficulties. This makes it a more reliable basis for assessing the condition of the industry as a whole.

The ASI submitted that the PC should assess the reliability of ABS administrative data by comparing data provided in submissions from fabricators to the values of the corresponding variables in ABS administrative data for those same businesses (sub. 75, pp. 6–7). The ABS's de-identification and confidentialisation processes prevent this type of comparison. However, the PC can compare GAA data on tonnes galvanised with ABS administrative data on the performance of the galvanising sector. Turnover of GAA members (sourced via ABS administrative data) has moved similarly to GAA's estimates of total tonnes galvanised over time (figure 4.1). This suggests that administrative data is a reliable source of information on industry performance.

Figure 4.1 – The change in performance of galvanisers since 2020 as estimated by the GAA correlates strongly with administrative data

Indexes of quarterly tonnes galvanised and quarterly real turnover of galvanisers



Turnover data is based on BAS data for 22 businesses that are indicated as members of the GAA (as at September 2026). ABNs for those businesses were identified using publicly available information and searches of the Australian Business Register. Availability of turnover data in earlier periods is significantly limited due to DataLab clearance restrictions.

Source: PC analysis using ABS administrative data, ASI (sub. 75, attachment 3). Nominal values were converted to June quarter 2024–25 dollars using the ABS producer price index for ANZSIC class 2293 (metal coating and finishing), which includes 'galvanising of client supplied materials'.

There are some limitations to using administrative data. One disadvantage is that administrative data is only generated with a lag and not every firm consistently provides data on every variable. Data on all injury factors is not available for 2024–25. In the interim report, several 2024–25 values were estimated when data was not available, but this has not been done for most injury factors in the final report. This change is explained in appendix B.

Chapter 2 sets out how the PC has tested concerns that whole-of-business administrative data may capture activities unrelated to FSS production. The analysis in this chapter is focused on businesses that are within the conservative population of domestic fabricators and who have been assessed as being focused on structural steel fabrication. This removes data from the minority of domestic fabricators who may be undertaking unrelated activities as part of their business.

4.2 Is there serious injury?

Inquiry participants generally indicated declining performance

The accounts provided by domestic FSS industry participants in public hearings and submissions largely suggested they have been negatively impacted by increasing import competition. 34 domestic FSS firms made public submissions, and nearly all said they have observed growth in imports and reduced market share (table 4.1).

Table 4.1 – Inquiry participants reported a decline in business performance across injury factors

Reported injury–factor impacts experienced by FSS firms during the investigation period

Injury factor	Improved	Worsened	Neutral	Not addressed
Sales/revenue	2	12	4	16
Employment (headcount)	0	14	6	14
Profit	0	19	1	14
Production (tonnes)	0	12	3	19
Productivity	0	1	0	33
Capacity utilisation (%)	0	13	1	20
Market share	0	29	0	5
Imports	0	30	0	4
Capex/investment	0	21	0	13

Cells are shaded according to the proportion of firms that reported a particular impact for each factor, with darker shading indicating a higher proportion and lighter shading indicating a lower proportion. A factor is recorded as improved or worsened where this was stated or could reasonably be inferred as relating to the investigation period (2020–21 to 2024–25). Where it was evident that a reported change related to a period outside the investigation period, or reflected only a very recent shift, this was instead recorded as not addressed. For imports and market share, worsened means an increase in imports or in the share of the market held by imports. The table is based only on information included in pre-interim report submissions.

Source: PC analysis of inquiry submissions.

Where fabricators provided information on specific injury factors, they mostly indicated deteriorating performance. The most commonly reported injury factors were sales, profit, production, utilisation and employment. On profit, there was a common narrative linking increased competition from lower-priced imported goods in competitive tendering processes to domestic fabricators being forced to significantly lower their quoted prices. It was claimed that this reduced profit margins and, in turn, investment. This issue is discussed further in the context of whether there is a threat of serious injury (section 4.3).

Very few firms reported an improvement in any of the injury factors. NEACH, a fabricator in southeast Queensland, reported an increase in revenue due to securing contracts for major government infrastructure projects (sub. 15, p. 4).

Of the 34 firms that made submissions, very few provided full-time series data for injury factors. Their evidence does not reveal a clear or consistent pattern. One fabricator, for example, reported a sharp increase in sales, profit, production, and utilisation in 2021–22, followed by a decline in 2023–24 and a year-to-date recovery in 2024–25.[19] By contrast, a second fabricator reported only a small peak in sales in 2023–24 and otherwise relatively stable performance over the 2022–23 to 2024–25 period.[20] A third fabricator reported a sharp deterioration in sales and capacity utilisation from 2021–22 to 2024–25, while employment remained broadly stable or increased slightly over the same period (though hours worked decreased) (name withheld, sub. 44, p. 3). The project-based nature of structural steel fabrication may contribute to variations in the timing of firms' reporting of injury.

The results from an ASI survey of 6 fabricators indicate broadly stable performance from 2021–22 to 2023–24 across most injury factors, followed by a sharp decline in 2024–25 (ASI 2026, p. 37). Production, sales and capacity utilisation were broadly stable until they declined to about 50% of their 2021–22 levels. In both 2022–23 and 2023–24 profits were approximately double their 2021–22 level, before falling to 36% of their 2021–22 level in 2024–25. Employment was stable or increasing before declining to 90% of its 2021–22 level in 2024–25 (ASI 2026, p. 39).

The IBISWorld report cited by the Australian Workers' Union suggests declines in profit and employment over the period of the investigation (sub. 53, pp. 5–7). However, the IBISWorld estimates relate to ANZSIC class 2221 (structural steel fabricating), which does not align closely with the PC's identified FSS population (see chapter 2 for discussion of population identification). Classification of firms at the 4–digit ANZSIC code level can be inaccurate. For instance, of the 314 firms active during the investigation period, 25% remained classified under ANZSIC 2221 throughout the period, while a further 13% moved into or out of the classification during the period. The remaining 63% were classified under other ANZSIC codes throughout (PC analysis using ABS administrative data).

Two Australian steel distributors, InfraBuild and BlueScope Steel, reported that their sales to the FSS industry declined during the investigation period. InfraBuild pointed to dips in domestic FSS production in 2022 and 2024, with some recovery in 2025 (sub. 40, p. 12). BlueScope reported 'weakening demand for, and sales of, Australian–made steel inputs into the domestic fabrication segment' (sub. 48, p. 11).

[19] Name withheld (sub. 7, pp. 5–7) provided evidence of fluctuating profit (earnings before interest and tax) between 2020–21 and 2023–24, then a 21% decrease in 2024–25 and a recovery in profit to date in 2025–26. Sales hovered around $12 million in 2019–20 and 2020–21, spiked to $17 million in 2021–22 and dropped to $4 million in 2023–2024, before returning to trend at $13 million in 2024–25 YTD. Employment, in contrast, has only partially recovered, dropping to 16 in 2023–24 from between 45-50 in earlier periods, recovering to 36 in 2024–25 YTD.

[20] Kyst Engineering (sub. 18, p. 1) only provides turnover figures.

Data on overall industry performance does not show serious injury

Overall, the data does not demonstrate that the industry as a whole has experienced serious injury. Almost all injury factors improved from the start to the end of the investigation period (noting that for some, data is only available to 2024–25). The data does demonstrate variation in performance within different parts of the industry.

In each section below, the PC presents evidence relating to the injury factors specified in the Agreement on Safeguards. Where injury factors are presented in dollar terms, they are adjusted to 2024–25 dollars to account for inflation.

Sales

The PC assessed income derived from the sale of goods and services over the investigation period. Sales increased over the investigation period by an average of 8.6% per year from $3.0 billion in 2020–21 to $3.8 billion by 2023–24 (figure 4.2, left panel).

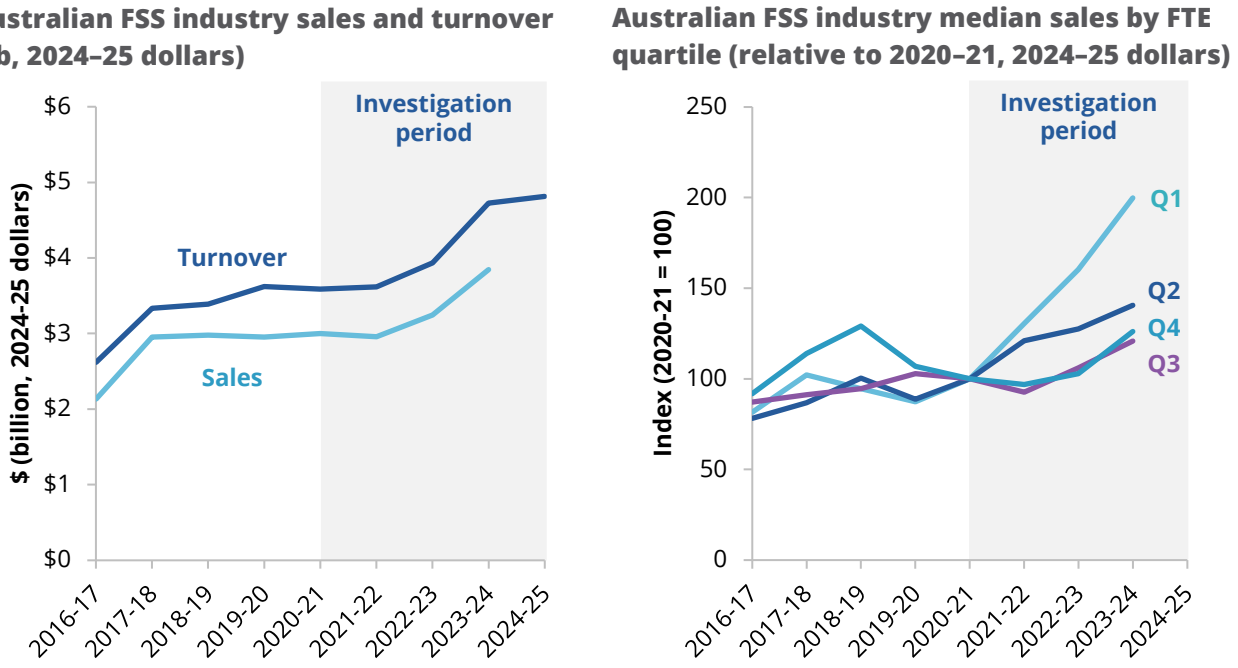
The PC examined turnover for Australian FSS businesses, which is collected through BAS and is available for the entire investigation period to 2024–25. Turnover is a broader measure of income than sales, and includes revenue from all sources. For businesses analysed, income from sales and turnover track closely, with income from sales consistently accounting for the bulk of turnover.

Turnover increased over the investigation period by an average of 7.6% per year. Turnover grew in each year of the investigation period, rising from $3.6 billion in 2020–21 to $4.8 billion in 2024–25 (figure 4.2, left panel).

Median sales increased across all firm–size quartiles between 2020–21 and 2023–24 (figure 4.2, right panel). Figures are indexed to 2020–21 (equal to 100) to show changes over time. Firms are grouped by full–time equivalent (FTE) employment in the first year of the investigation (2020–21), with Q4 comprising the largest firms. Unlike our industry–wide analysis, in the quartile analysis only firms with positive FTE employment in every year are included, to ensure that the population of each quartile is consistent across time. As a result, the quartile analysis uses a fixed population and excludes entrants.

The variation across quartiles does not indicate a consistent relationship between firm size and sales growth. The median firm in Q1 recorded the strongest growth, with sales increasing by 100% between 2020–21 and 2023–24. Median sales increased by 41% for Q2, 21% for Q3 and 26% for Q4 over the same period. The stronger growth in median sales for Q1 may partly reflect how the quartiles were constructed. Firms are assigned to quartiles based on their FTE employment in 2020–21, so Q1 includes firms that were relatively small at the start of the period and may have had greater scope to grow. The fixed population also excludes later entrants.

Figure 4.2 – Sales and turnover grew over the investigation period



Quartiles divide the population into 4 groups, each with an equal number of members. In this case, the population has been divided into groups based on the number of FTE employees.

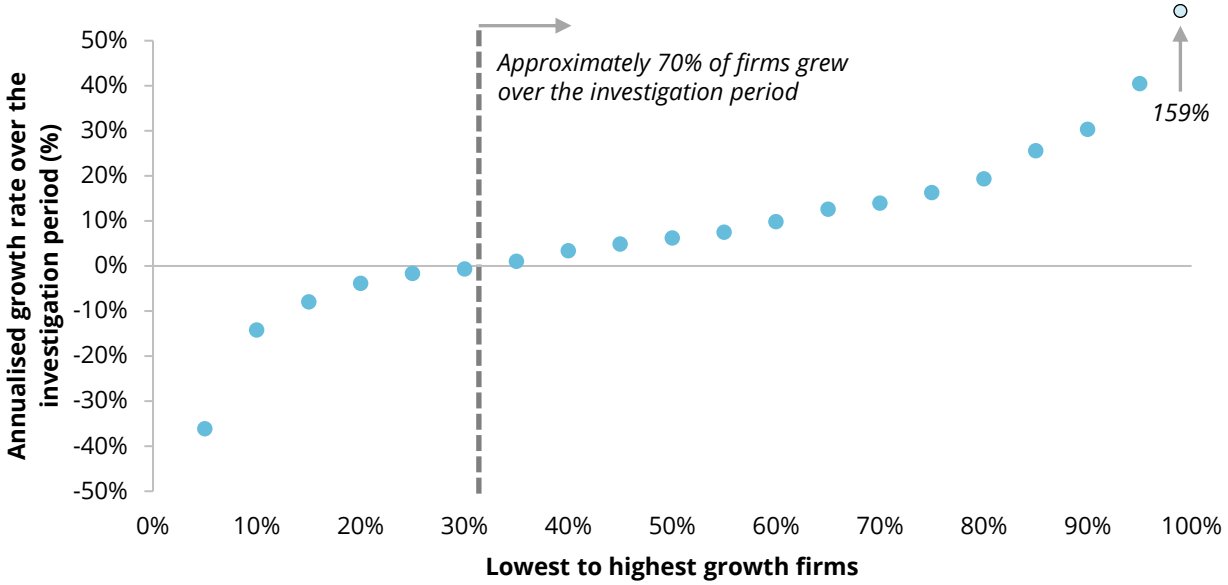
Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the producer price index for ANZSIC class 2221 (structural steel fabricating).

Further disaggregation of industry performance data shows that some firms have experienced a significant decline in turnover over the investigation period (figure 4.3). The PC has calculated the average annual growth rate for each firm in the conservative population over the investigation period. We then grouped the firms into 20 approximately equal-sized groups and calculated the average growth rate within each group[21]. This analysis indicates that, while the top 70% of firms operating over the period of investigation exhibited an increase in turnover between 2020–21 and 2024–25, the remaining 30% exhibited a decrease in turnover (figure 4.3). This demonstrates that while most of the industry grew over the period of investigation, this growth was not universal.

[21] This is close to the lowest level of disaggregation allowed for data to be cleared for release from DataLab.

Figure 4.3 – Some fabricators have experienced a significant decline in turnover

Distribution of compound annual growth rates of real turnover from 2020–21 to 2024–25



The compound annual growth rate of 159% figure largely reflects growth in businesses that were small at the start of the investigation period so may have had greater scope to grow. This analysis excludes births and exits over the period.

Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

Profits and losses

The PC assessed the pre–tax profit of Australian FSS businesses using information submitted through BIT returns. Profit increased over the observable investigation period by an average of 27.4% per year, or 106.6% in total from 2020–21 to 2023–24 (figure 4.4, left panel).

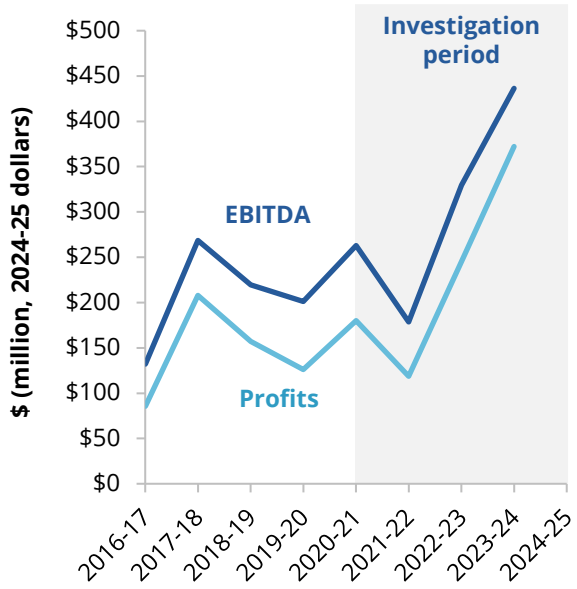
In the pre–investigation period and the early years of the investigation period, the Australian Government introduced multiple accelerated depreciation incentive schemes which, where utilised, artificially reduce reported profit. Rather than adjusting reported profit, the PC also examined EBITDA (earnings before interest, tax, depreciation and amortisation) which produces a measure of underlying profit that removes the impact of these incentives.[22] EBITDA increased over the observable investigation period by an average 18.4% per year.

Median EBITDA increased across all firm–size quartiles between 2020–21 and 2023–24, although the path of growth varied (figure 4.4, right panel).

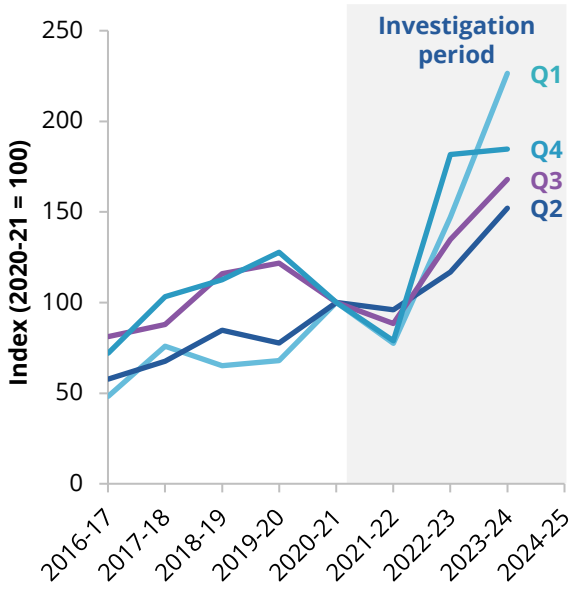
[22] Profit is directly from BIT, while EBITDA is calculated from variables in BIT. Appendix B provides more information.

Figure 4.4 – Industry profits and EBITDA grew strongly from 2021–22 to 2023–24

Australian FSS industry profits and EBITDA ($m, 2024–25 dollars)



Domestic industry median EBITDA by quartile (relative to 2020–21, 2024–25 dollars)



Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

Employment

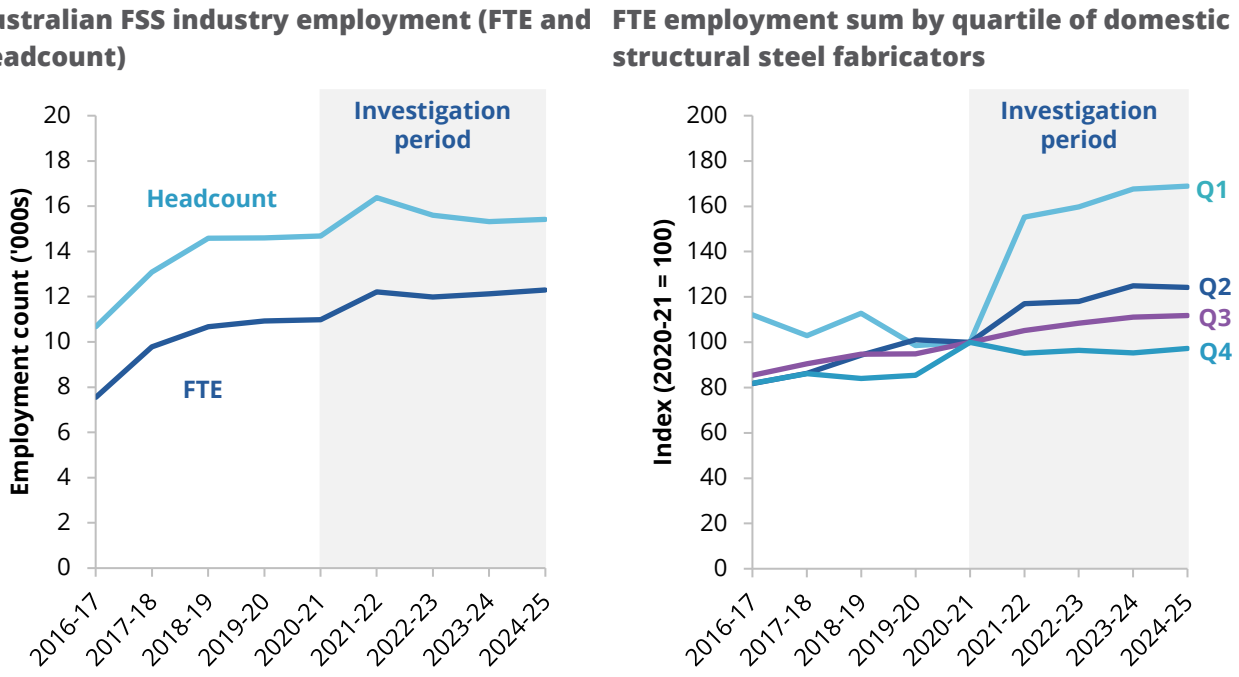
The PC assessed employment for the industry using 2 measures: FTE and headcount. These are sourced from PAYG data. One fabricator highlighted that FTE and headcount provide differing insights (name withheld, sub. 44, p. 3). FTE reflects the number of hours worked, while headcount measures the number of people employed. A decline in FTEs and stable headcount would indicate that no employees have been laid off but hours worked per worker has declined.

Overall, employment increased over the investigation period (figure 4.5, left panel).[23] Between 2020–21 and 2024–25, FTE increased by 12.0% and headcount by 5.0%. Both measures declined following a peak in 2021–22 but resumed growth in later years. Over the investigation period overall, FTEs and headcount grew at average annual rates of 2.9% and 1.2%, respectively. The greater growth in FTE suggests the number of hours worked per employee increased over the period.

When disaggregated by firm size, employment outcomes varied across quartiles (figure 4.5, right panel). Each quartile other than Q4 increased over the period of investigation, which had 2.8% fewer FTEs employed in 2024–25 compared with 2020–21.

[23] Variation between population selection between the interim and final reports is discussed in appendix B.

Figure 4.5 – Employment grew over the investigation period overall



Source: PC analysis using ABS administrative data.

Productivity and capacity utilisation

The Agreement on Safeguards identifies productivity as one of the factors that must be evaluated during a safeguard investigation. However, neither the Agreement, legal literature nor WTO case law provide an explicit definition of productivity. Rather than relying on a measure that focuses on a single input (e.g. labour), the PC considers total factor productivity (TFP) the most appropriate measure.

TFP compares firm output or value added with the labour and capital used to produce it. In other words, it provides an indication of how efficiently firms are turning inputs into output. It is estimated on the same administrative data used to measure the above injury factors. However, while the formulas to calculate value added and labour expenses are simple, capital stock is not directly observed, and therefore TFP relies in part on an estimated measure of firms' capital stock.[24] Mean productivity decreased in 2021–22 but then grew, to end 16% higher in 2023–24 than at the start of the investigation period. The PC provides no estimate of TFP for 2024–25 due to a high degree of uncertainty.

Capacity utilisation, like productivity, does not have an explicit definition in the context of a safeguard investigation. For the purposes of this investigation, the PC defines capacity utilisation as a firm's productivity (TFP) in a given year relative to the productivity frontier for the industry (defined as the average TFP of the 10% most productive firms).[25] The measure indicates how close a firm is to the estimated industry productivity frontier and how that changes over the investigation period. This measure is also estimated, and depends on assumptions about firms' capital stock and the productivity

[24] For this industry, the labour expenses are over 10 times higher than the equivalent capital measure per year – this has little impact.

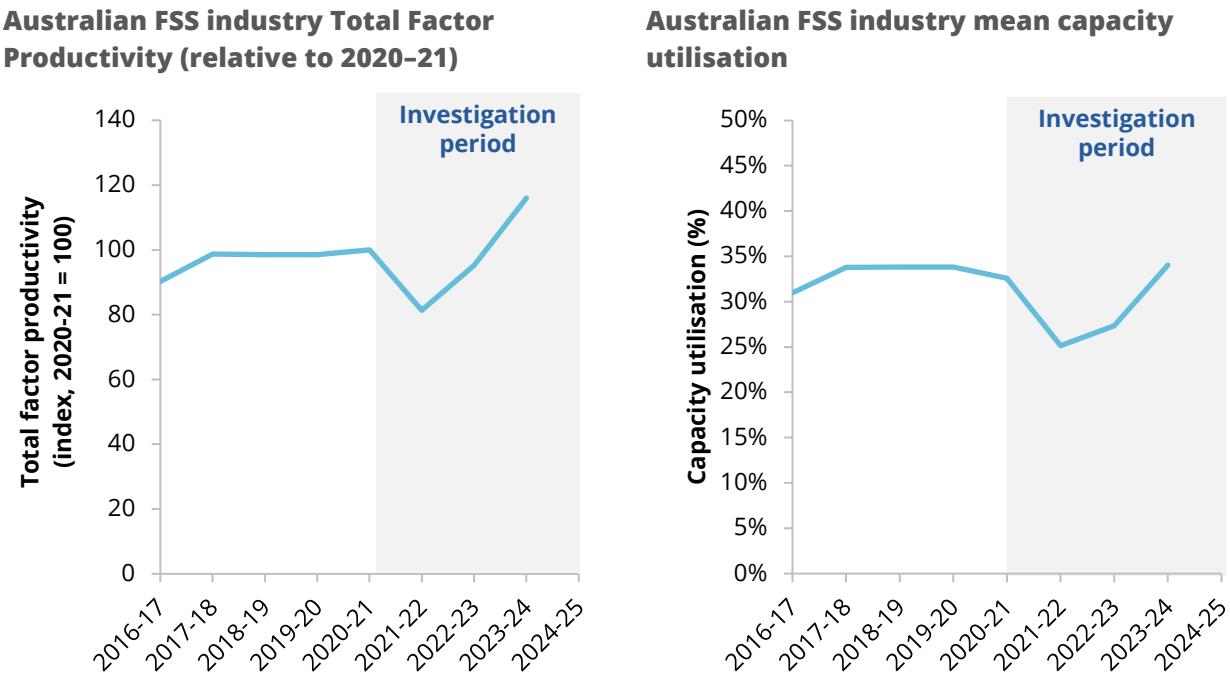
[25] This is different to how industry may typically define capacity utilisation so the PC's estimates and other sources are not directly comparable.

frontier. The PC therefore treats it as supporting evidence rather than placing excessive weight on the precise level of the estimate.

Mean capacity utilisation followed a similar pattern to TFP over the investigation period. After a 7.5 percentage point decrease in 2021–22, utilisation grew and ended 1.4 percentage points higher in 2023–24 than at the start of the investigation period. The PC provides no estimate of capacity utilisation for 2024–25 due to a high degree of uncertainty.

The PC's estimates of productivity and capacity utilisation do not show significant evidence of a sustained decline over the observed investigation period (figure 4.6). That said, the estimates of productivity and capacity utilisation should be treated with some caution due to the number of assumptions and specific modelling choices required to consistently estimate these measures in the ABS administrative data for this small and specific population of firms. These assumptions and choices are detailed in appendix B.

Figure 4.6 – Productivity and capacity utilisation declined and then increased



TFP and capacity utilisation are shown as the mean across firms, rather than the sum or indexed sum used elsewhere, as neither can be meaningfully summed. Utilisation measured here reflects usage of factor inputs as reported based upon ABS administrative data. The method for calculating productivity and utilisation is detailed in appendix B.

Source: PC analysis using ABS administrative data.

Production

As discussed in chapter 3, the PC has estimated domestic production using administrative data. Estimates are produced for both a conservative and expanded population. Additional detail on the method used to estimate domestic production is in appendix B.

In their post-interim submission, the ASI included two series relating to domestic production: their own estimates of domestic FSS production and GAA data on steel tonnes galvanised (sub. 75, p. 10 and attachment 3). If it is assumed that 94% of galvanisers' throughput is relevant FSS products, and that 35% of FSS production is galvanised – and that these proportions have not changed over time – then

the GAA data can be used to estimate domestic FSS production (steel tonnes galvanised multiplied by 0.94, divided by 0.35).[26]

The PC's estimates of domestic production, those of the ASI and estimates based on GAA data are presented in figure 4.7.

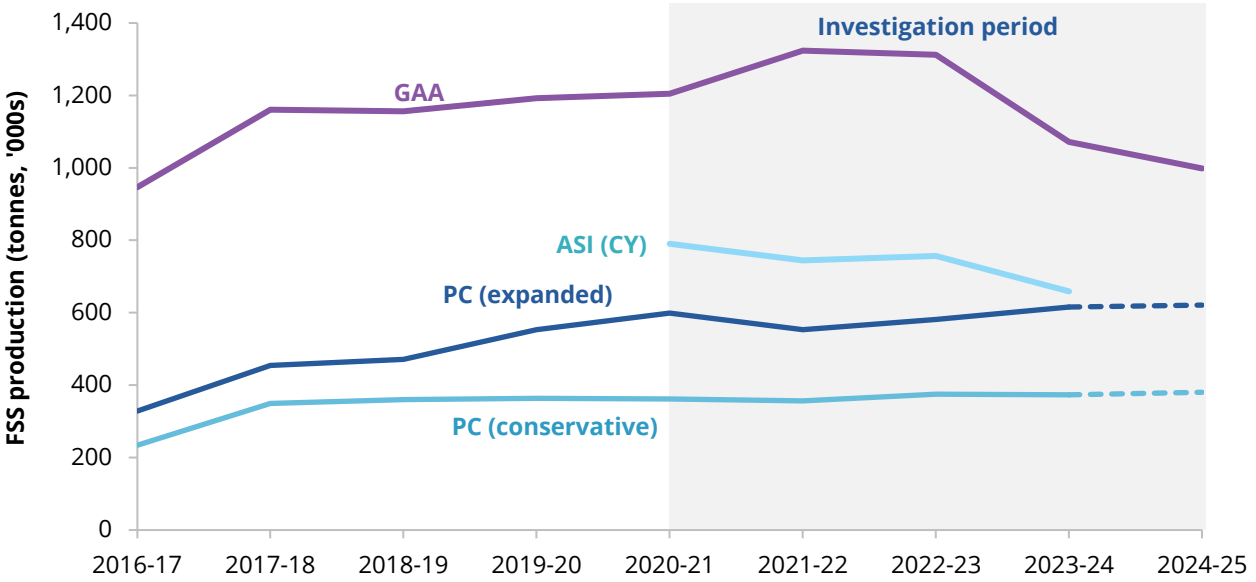
Based on the conservative, smaller population, the PC estimates that domestic production grew from 361,700 tonnes in 2020–21 to 373,000 tonnes by 2023–24, with a decrease of 1.5% in 2021–22, an increase of 5.4% in 2022–23 and a decrease of 0.6% in 2023–24. Based on the expanded population, it is estimated that domestic production grew from 599,300 tonnes in 2020–21 to 615,800 tonnes by 2023–24, with increases in each year save 2021–22 where production declined 7.7%. The BIT data used to estimate production is not available for 2024–25, so production in 2024–25 is estimated by multiplying the PC's estimated 2023–24 volume of production by growth in real turnover for 2024–25. (This varies from the approach to estimating 2024–25 production used in the interim and is discussed in Appendix B). The conservative and expanded series move similarly but vary due to differences in the performance of the firms included in the underlying populations (figure 4.7).

The PC's estimates of domestic production vary from ASI's estimates and the estimates produced using GAA data. The ASI's estimates decline by 5.8% in 2022, increase 1.7% in 2023, and then decline by 12.9% in 2024 (the series is in calendar years and does not include estimates for 2025). Estimates of domestic production based on the GAA data suggest an increase in domestic production of 9.9% in 2021–22 rather than a decline as measured by the PC's estimates, followed by year-on-year declines in production.

As discussed in chapter 3, the PC considers that its estimates provide the most reliable basis for assessing changes in production.

Figure 4.7 – The PC's estimates show relatively stable production over time

Australian FSS industry production



Source: PC analysis using ABS administrative data and data from key industry stakeholders, ASI (sub. 75, attachment 3).

[26] The 94% and 35% share assumptions are based on GAA personal communications and information from the ASI, discussed in chapter 3.

Rate and amount of the increase in imports

The Agreement on Safeguards lists the rate and amount of the increase in imports as one of the factors that must be considered as part of the injury analysis.

Absolute imports increased by 29.3% over the investigation period from 446,500 tonnes in 2020–21 to 577,500 tonnes in 2024–25. Relative imports (imports divided by domestic production), increased from 123.4% to 152.0% over the investigation period when analysed using the conservative population, or from 74.5% to 93.0% based on the expanded population. These estimates are discussed in more detail in chapter 3.

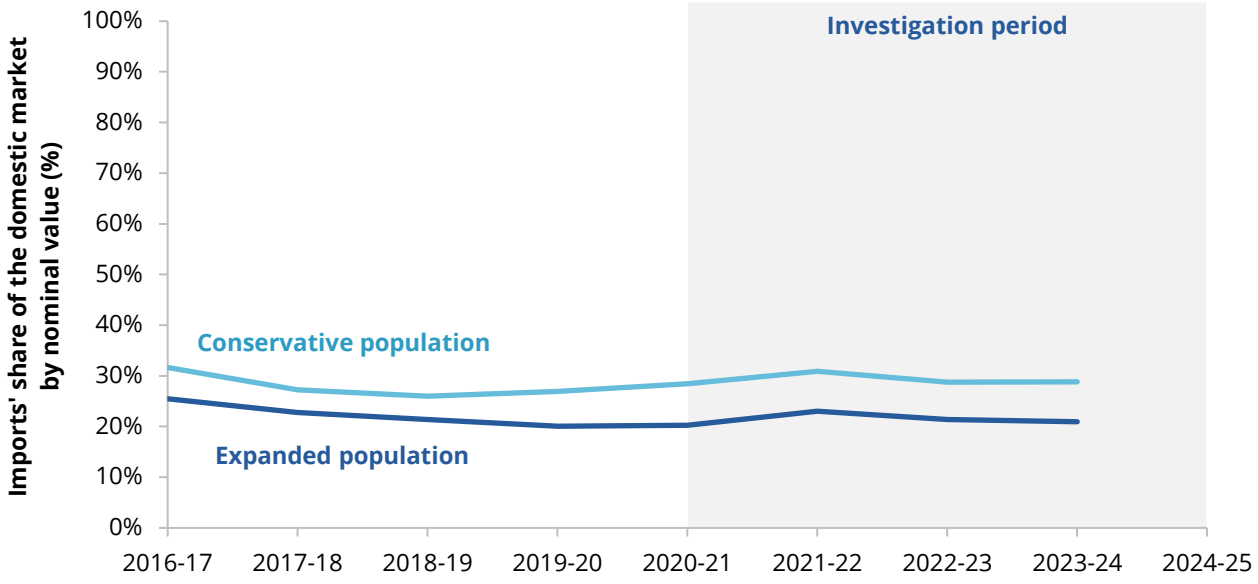
Share of the domestic market

Import market share is a separate measure. It shows the share of total FSS supplied to the domestic market that is accounted for by imports, measured in dollar terms.

Import market share has been relatively stable. Analysed using the conservative population, it increased from 28.5% to 30.9% and then declined, finishing at 28.8% in 2023–24 (figure 4.8). Analysis based on the expanded population shows a similarly stable pattern. The market share of imports is relatively stable in value terms because the value of domestic FSS firms' sales and the value of imports have grown at similar rates.

Figure 4.8 – Import market share in nominal value is similar at the start and end of the investigation period

Market share of imported FSS in the Australian market



Source: PC analysis using ABS administrative data, DFAT (2026a, 2026b).

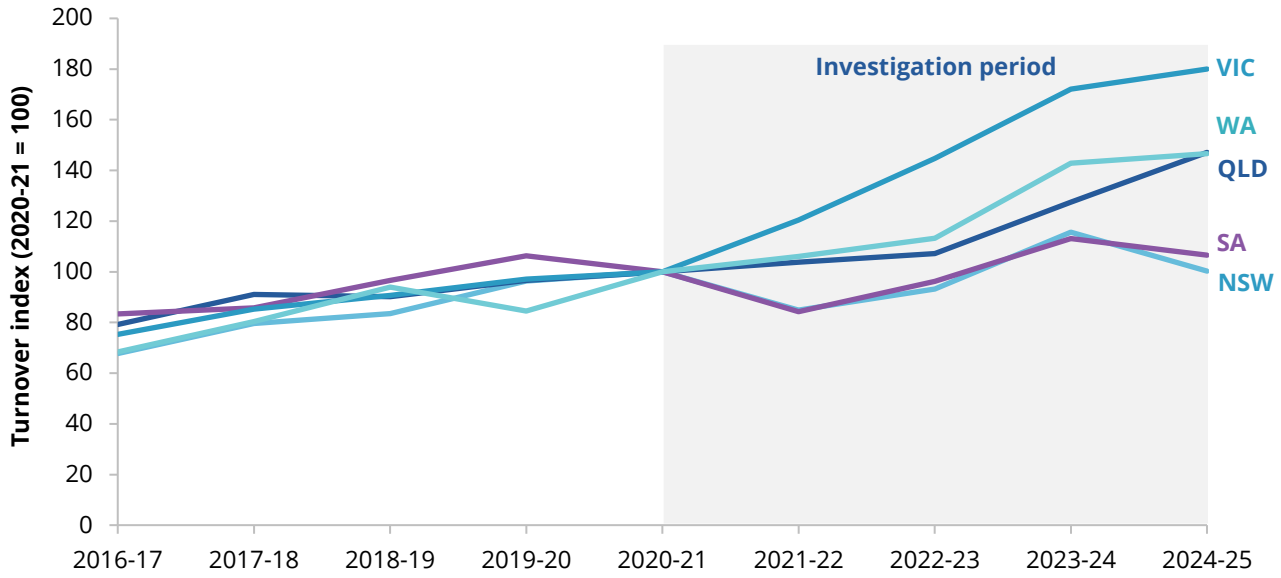
Performance varies by jurisdiction

Safeguard investigations are required to consider the whole domestic industry, not performance within individual jurisdictions. Nonetheless, it is worth noting that industry performance has varied substantially across jurisdictions. In general, FSS firms in Victoria, Queensland and Western Australia

exhibited growth in turnover over the period of investigation (figure 4.9). In South Australia and New South Wales, turnover was flat over the period of investigation.

The analysis presents an alternative view of which parts of the industry may be performing well relative to others. However, it is not an input into the assessment of injury, which must be made with respect to the industry as a whole.

Figure 4.9 – Growth in total FSS turnover has varied across jurisdictions
Australian FSS industry turnover by jurisdiction (relative to 2020–21, 2024–25 dollars)



Firms registered in Tasmania, the Northern Territory or the ACT as well as firms that report operating in multiple states were excluded as data could not be extracted for the full period of investigation.

Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

4.3 Is there a threat of serious injury?

A 'threat of serious injury' exists only where serious injury is 'clearly imminent' (SA Article 4.1(b)). This means that the anticipated serious injury 'must be on the very verge of occurring', that 'there must be a high degree of likelihood' that it will materialise in the very near future (*US – Lamb*, para. 125). The standard of injury is the same for both actual and threatened injury (*US – Lamb*, para. 126).

Recent evidence on imports and industry performance is particularly relevant, but short–term movements should be interpreted in the context of long–term trends (*US – Lamb*, paras. 136–138).

The evidentiary standards for assessing serious injury also apply to the threat assessment, alongside additional requirements. Analysis of the threat of serious injury must be 'based on facts and not merely on allegation, conjecture or remote possibility' (SA Article 4.1(b)).

What does the most recent evidence show?

The most recent data does not show severe deterioration across injury factors

Most factors relating to the performance of the industry moved positively in 2023–24 with the exception of production and headcount (though FTEs increased) (table 4.2). Absolute imports, relative imports (based on tonnes) and imports' market share (based on value) increased.

In 2024–25, turnover increased by 1.8%, headcount by 0.6% and FTEs by 1.4%. Absolute imports and relative imports increased.

Preliminary data suggests imports have continued to grow in absolute terms in 2025–26, but turnover has also increased (based on comparing turnover in the first 2 quarters of 2025–26 to the first 2 quarters of 2024–25).

Table 4.2 – The evidence does not suggest there is imminent threat of serious injury

Injury factor data for most recent period (2024–25 dollars where relevant)

	2023–24	2024–25	2025–26
Sales: Sales	+18.5%	–	–
Sales: Turnover	+20.1%	+1.8%	+2.9%
Profit: Profit (net)	+51.7%	–	–
Profit: EBITDA	+32.5%	–	–
Employment: headcount	-1.7%	+0.6%	–
Employment: FTEs	+1.2%	+1.4%	–
Productivity (TFP)	+21.9%	–	–
Capacity utilisation (percentage)	+6.7 pp	–	–
Production (tonnes)	-0.6%	+1.8%	–
Absolute imports (tonnes)	+5.3%	+8.0%	+8.8%
Relative imports (percentage)	+8.1 pp	+8.6 pp	–
Imports share of the domestic market (based on value)	+0.1 pp	–	–

The 2025–26 growth rate for turnover is based on comparing real turnover in the first 2 quarters of 2025–26 and the first 2 quarters in 2024–25. The growth in production in 2024–25 is just the growth rate of real turnover (for the conservative population). Appendix B provides further detail on estimates for 2024–25.

Source: PC analysis using ABS administrative data and other supplementary sources as described in appendix B. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

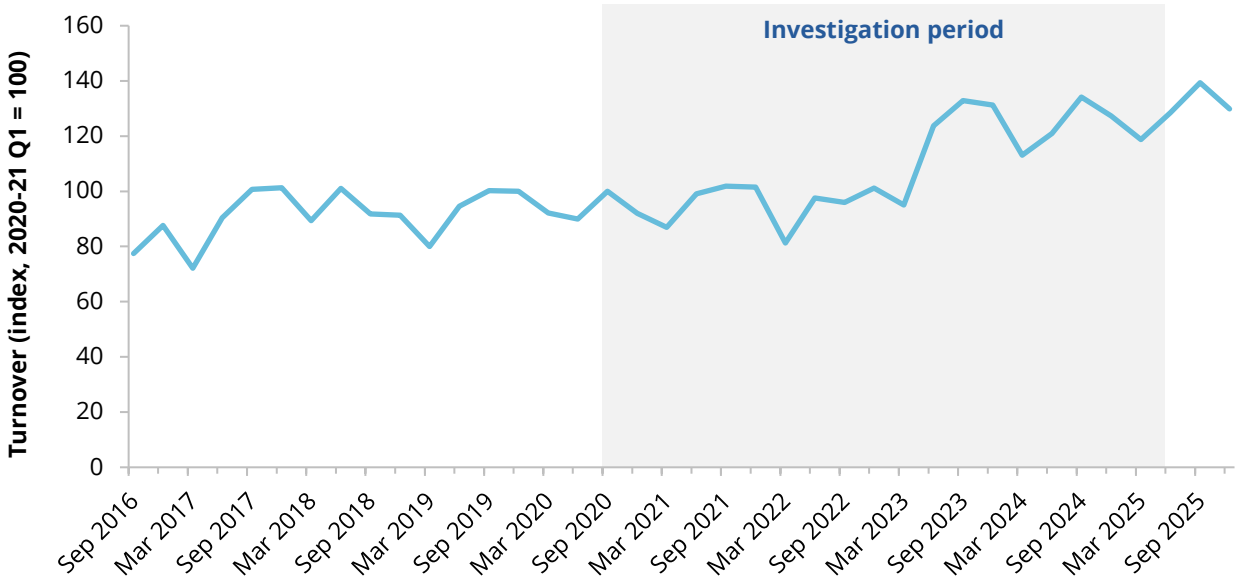
Data relating to industry activity after the investigation period does not suggest serious injury is clearly imminent

Turnover is measured on a quarterly basis in BAS data, and the first 2 quarters of 2025–26 are available for consideration. The data does not suggest severe deterioration in industry performance in the months immediately after the investigation period (figure 4.10). The longer time series shows there can be substantial quarter-to-quarter variation in industry turnover.

GAA estimates that the amount of FSS galvanised in the first 3 quarters of 2025–26 was only 1.1% lower than the comparable period in 2024–25 (ASI, sub. 75, attachment 3).

Figure 4.10 – Turnover data does not suggest the industry was experiencing a downturn in the first 2 quarters of 2025–26

Turnover relative to Q1 2020–21, 2024–25 dollars



Source: PC analysis using ABS administrative data. Nominal values were converted to June quarter 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

Several factors may influence industry performance in future years but not with enough certainty to support a finding of threat

The project–based nature of the FSS industry means that the business outcomes observed in the data reflect previous work won. Participants have highlighted several factors which may impact industry performance, both contemporaneously to this inquiry and in future periods.

- Domestic fabricators may be winning work in unsustainable ways. The ASI's application suggests that 'Where the Australian industry has secured projects, project margins have been materially eroded' (2026, p. 3) and the Australian Industry Group submitted that some firms were accepting contracts at low or negative margins to retain staff and maintain throughput (sub. 32, p. 4). A number of fabricators have flagged that while they continue to operate, their business is not sustainable in the face of ongoing import competition.[27]
- Firms may have a low pipeline of work. 60% of respondents to Weld Australia's latest Workforce and Outlook Survey said they have 1–3 months or less of confirmed work (Weld Australia 2026, p. 5). Weld Australia wrote that 'too much work is going offshore or being awarded to low-cost imported alternatives without equivalent compliance assurance' (2026, p. 5). At the same time, however, 79% of business respondents rated their prospects as strong or very strong, an increase from the 68% of

[27] CASA Engineering (sub. 14, p. 5); First Line Engineering (sub. 34, p. 1); Galintel Pty Ltd (sub. 33, pp. 1 and 4); NEACH (sub. 15, pp. 4–5); Prince Engineering (sub. 3, pp. 8–10).

respondents who answered this way in 2024 (Weld Australia 2026, p. 6; 2024, p. 6).[28] The share of respondents who expect profits to grow in the next 12 months held steady at 29% between the 2024 and 2026 surveys, though the share who expected profits to decline increased from 36% to 40% (Weld Australia 2026, p. 6; 2024, p. 6).
- Investment may be being held back, impacting future competitiveness. Stevens Group (sub. 5, p. 3) stated that investment was being held back to preserve cash flow, including upgrades to fabrication technology and operational efficiency. A number of other inquiry participants made similar comments.[29] Investment recorded in the administrative data for the population analysed above declined by 17.6% in 2021–22, though this was followed by growth of 85.6% and 52.6% in the next 2 years (PC analysis using ABS administrative data).

When considered in the context of the most recent data, and when all data sources are taken into account, the factors set out above do not meet the required evidentiary threshold for an assessment of threat of serious injury.

Demand for FSS including imports is likely to remain firm

Demand for FSS is expected to remain strong into the future, with Infrastructure Australia forecasting $1.14 trillion of construction expenditure between 2024–25 and 2028–29 (Infrastructure Australia 2025, p. 20).

Imports have trended upward since 2016–17 and data for 2025–26 indicate this has continued beyond the period of investigation (chapter 3). Noting the 2025–26 data is preliminary, it indicates that imports increased by 8.8%.

Ongoing growth in imports does not necessarily indicate the industry as a whole will experience serious injury. Historically, the relationship between import growth and industry performance has not been straightforward. Growth in imports observed during the investigation period was accompanied by improvement in the indicators of most injury factors for most of the investigation period.

The available evidence does not establish that serious injury of the domestic industry is clearly imminent.

4.4 Assessment of overall impairment and threat thereof

Finding 4.1
The Australian fabricated structural steel industry as a whole is not suffering serious injury and there is not a threat of serious injury

During the investigation period, the industry experienced an increase in most injury factors, including turnover, sales, production, profits and employment. The available evidence does not establish that there is a threat of serious injury.

[28] It appears that no survey was conducted in 2025. In 2022 and 2023, 82% and 88% of business respondents rated their prospects as strong or very strong (Weld Australia 2022, p. 10; 2023, p. 21).

[29] For example: CASA Engineering (sub. 14, p. 5); idec Solutions (sub. 21, p. 3).

5. Are the conditions for safeguard measures met?

Key points

- **The conditions for definitive safeguard measures are not met.**
  - There are Australian FSS producers facing pressure due to competition with imports. However, as chapters 3 and 4 detail, the nature of the growth in imports and the analysis of injury factors does not satisfy the conditions needed to justify safeguard measures.
- **Import competition is a structural feature of the Australian FSS market.**
  - Import competition has been a feature for a long period of time. Submissions have highlighted some of the ways that domestic fabricators have responded to import competition.

5.1 The conditions for safeguard measures are not met

Imports of fabricated structural steel (FSS) have increased but the evidence does not demonstrate the extraordinary circumstances required for the imposition of safeguard measures. There has not been a recent, sudden, sharp and significant increase in either absolute or relative imports (chapter 3). Moreover, while there are domestic fabricators experiencing pressure, the industry as a whole is not experiencing serious injury and the evidentiary requirements for demonstrating threat of serious injury are not met (chapter 4).

Because neither the growth in imports nor the evidence on injury satisfies the conditions needed to justify safeguard measures, the PC has not assessed the causal link between imports and injury. This would be required under Article 4.2 of the Agreement on Safeguards. The PC provided some reflections on statistical techniques that could be used to assess the presence of a causal link in the interim report.

The terms of reference for this inquiry required that if the conditions for a safeguard measure are met the PC propose a measure and report on whether the measure would be in the public interest. Because we have found the conditions for a safeguard measure are not met, we have not made these assessments. PC views on measure design and public interest in the context of safeguard measures are recorded in chapter 6 of the inquiry's interim report.

Finding 5.1
The conditions for definitive safeguard measures are not met

There has been an increase in fabricated structural steel imports, but it does not meet the standards required for safeguard measures, and the evidence demonstrates that the industry is not experiencing serious injury. Nor does the evidence indicate that there is a threat of serious injury.

5.2 Imports are a long-term feature of the FSS market

Imports of FSS have grown considerably over time and concerns about the viability of the domestic FSS industry are longstanding. A decade ago, a Senate inquiry into the future of Australia's steel industry heard evidence about rising import competition (Senate Economics References Committee 2017, pp. 15–16). A number of fabricators submitted that they had recently reduced their workforce 'mainly due to the lack of domestic demand for steel products and the large increase in cheap imported steel products mainly from Asia' (ASI 2016, p. 49, for example). In a submission to the current inquiry, EDCON Steel reported that losing import-exposed projects in 2011 and 2014 led them to withdraw from tenders where they expected there to be import competition (sub. 22, p. 4). Participants offered a range of views on when import competition intensified, but often indicated it started long before this inquiry's period of investigation (chapter 2, figure 2.1). Instant Steel Solutions, which imports FSS, submitted that 'Imports are now a core component of supply rather than a temporary disruption' (sub. 46, p. 3).

Import competition has changed the mix of work undertaken by some domestic fabricators (ASI, post-hearing submission, p. 17). Participants consistently identified portal frames, warehouses and other relatively standardised work as highly exposed to imports.[30] idec Solutions said its project portfolio had shifted towards more complex, bespoke and risky work: 'gone are the days of fabricating and erecting portal frame warehouses around Australia profitably' (sub. 21, p. 1). Similarly, the Australian Industry Group submitted that warehouses and distribution centres are particularly exposed to bulk offshore procurement, while specialised one-off projects 'depend on the precision and responsiveness of local fabricators' (sub. 32, p. 4).

Some firms have also diversified beyond 'supply-only' work. These changes broaden the activities undertaken by fabricators, but generally remain centred on the production and delivery of FSS. CSF Industries reported that in the last 3–5 years structural steel fabrication has fallen from 95% to 70% of its revenue, while design and construction services have grown from zero to 22% (sub. 17, p. 3). Roam Engineering submitted that:

> On supply-only scopes, we lose almost every head-to-head contest against an imported option on price. We continue to win work, but mainly in segments where imports cannot effectively compete: turnkey projects that bundle construction scope, customers whose evaluation explicitly values local manufacture, engineering consultancy, and smaller-scale work for which importing is uneconomic. We have, in effect, been pushed out of the pure-supply market for our primary products. (sub. 47, p. 1)

[30] For example: AMARCON (sub. 16, p. 1); CASA Engineering (sub. 14, p. 3); idec Solutions (sub. 21, p. 1); name withheld (sub. 7, p. 9; sub. 31, p. 1); Stevens Group (sub. 5, p. 1).

Changes in the work undertaken by domestic firms help reconcile some participants' experiences with the industry-wide data. Roam Engineering submitted that many fabricators had 'kept revenue steady by changing what they do, shifting into segments where imports cannot compete effectively, or by picking up one-off project work' (sub. 47, p. 2). NEACH submitted that its revenue had grown over the past 3–5 years, but is now concentrated 'in higher-end infrastructure work where limited local content provisions provide some protection' (sub. 15, p. 6). These examples suggest that adjustment by some firms may help explain why pressure from imports in particular market segments is not reflected in declining activity or financial performance across the industry as a whole.

A. Public engagement

This appendix provides information about the consultation process for this inquiry. It lists the organisations and individuals who contributed through consultations, submissions and public hearings.

The Productivity Commission received 99 submissions in total: 75 of these are published on the PC website; 24 were submitted in confidence and have not been published. Table A.1 lists submissions that are published on the PC website or were submitted confidentially on the understanding that their being submitted would be made public.[31]

The PC has met with individual domestic FSS producers, steel distributors, steel producers, construction firms and peak bodies representing these market segments (table A.2). We have also met with Australian and foreign government organisations, as well as the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters. Staff from the PC toured a steel distribution facility and several steel fabrication workshops in south-east Melbourne to gain a deeper understanding of the FSS industry.

Public hearings were held from 13 to 15 May 2026: 15 witnesses appeared (table A.3); 8 post-hearing submissions were provided (table A.4).

A public webinar was held on 10 September 2026.

[31] Not all confidential submissions are listed in table A.1. This is because in the pre-interim report submission process, submitters had the option of making a confidential submission on the expectation that their having made the submission would not be made public. PC processes have since changed. Confidential submissions can still be accepted but standard practice will be to name them in our reports and on our website.

Table A.1 – Public submissions

Participants	Submission number
Acute Fabrication Pty Ltd	41
AMARCON	16
Australian Manufacturing Workers Union	51, 65
Australian Industry Group	32
Australian Steel	1
Australian Steel Institute (ASI)	30, 75
Australian Workers' Union	53
Austruss	37
Beenleigh Steel Fabrications	29
BlueScope Steel	48, 68
Brezac Constructions	38, 66
Buttler Engineering	19
Caneland Engineering Pty Ltd	8
CASA Engineering	14
Chamber of Minerals and Energy of Western Australia (CME)	70
China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC)	55
CS Traders	23
CSF Industries Pty Ltd	17
Department of Energy and Mining (South Australia)*	76
Department of Foreign Trade, Thailand	35
Dr Sophie Scamps MP	56
EDCON Steel	22
European Commission	12
Ferrocom*	73
First Line Engineering	34
Galintel Pty Ltd	33
Gonzalez Steel Pty Ltd	43
HF Hand Constructors	25, 64
HVAC Australia	13, 67
idec Solutions	21
InfraBuild	40, 62
Instant Steel Solutions Pty Ltd	46
Joshua Ebert	63

Participants	Submission number
Lawrence Ben, MP	77
Kyst Engineering	18
Master Builders Australia	49
Ministry of Commerce of the People's Republic of China	50
Ministry of Investment, Trade and Industry – Government of Malaysia	61
Ministry of Trade of the Republic of Indonesia	11, 71
Moulis Legal on behalf of Peikko Australia	54, 72
Name withheld	7
Name withheld	9
Name withheld	28
Name withheld	31
Name withheld	39
Name withheld	44
Name withheld	58
Name withheld	59
Name withheld	60
NEACH	15, 69
OneSteel Manufacturing	45
Prince Engineering	3
Range Steel Fabrications	57
Republic of Türkiye – Ministry of Trade	2
Roam Engineering	47
Rowville Engineering	4
Sencova Steel Fabrication	26
South East Melbourne Manufacturers Alliance (SEMMA)	6
Steel Builder Australia	42, 74
Stevens Group	5
Technoweld Pty Ltd	10
United Steel Pty Ltd	52
Watkins Steel	20
Weld Australia	24
Weldlok Industries	36
Westys Steel Fabrication	27

* Submissions marked with an asterisk have omitted 'In confidence' content – part or all of the submission is not online.

Table A.2 – Consultations

Participants
Anti-Dumping Commission (ADC)
Australian Border Force (ABF)
Australian Building Codes Board
Australian Bureau of Statistics (ABS)
Australian Constructors Association
Australian Government Department of Foreign Affairs and Trade (DFAT)
Australian Government Department of Industry, Science and Resources
Australian Government Department of the Treasury
Australian Industry Group
Australian Steel Association
Australian Steel Institute (ASI)
Belmore Engineering
BlueScope Steel
Brown Steel
Capral Aluminium
China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC)
Continental Steel
Embassy of the People's Republic of China
Embassy of the Republic of Indonesia
Embassy of the United States of America
Galvanizers Association of Australia
InfraBuild
Infrastructure Australia (IA)
Jeff Doran
John Holland Group
Department of Jobs, Skills, Industry and Regions (Victoria)
Mario and Sons
Master Builders Australia
Multiplex
Organisation for Economic Co-operation and Development (OECD)
Oxford Economics Australia
PacifiCO Structural Steel
Page Steel
Southern Steel Group

Participants
Standards Australia
Structural Challenge
United Steel Pty Ltd
Vulcan Steel

Table A.3 – Public hearings

Participants
Australian Steel Institute
CASA Engineering
China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC)
Croft Steel
Delegation of the European Union to Australia
KordaMentha
Master Builders Australia
Ministry of Trade of the Republic of Indonesia
Ministry of Commerce, People's Republic of China
OneSteel Manufacturing
Rowville Engineering
Royal Thai Consulate General – Thai Trade Centre
South East Melbourne Manufacturers Alliance (SEMMA)
Steel Builder Australia
Technoweld Pty Ltd

Table A.4 – Post-hearing submissions

Participants
Australian Steel Institute
Brezac Constructions
CASA Engineering
China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC)
European Commission
Ministry of Trade of the Republic of Indonesia
Steel Builder Australia
Technoweld Pty Ltd

B. Technical appendix

This technical appendix covers:

- analysis of imports
- sourcing data on the domestic industry
- estimation of domestic production
- analysis of injury.

B.1 Analysis of imports

The Productivity Commission has analysed imports using the Merchandise Trade Imports module in BLADE. This dataset includes data on all import transactions from 2003–04 to 2024–25. The PC also obtained access to preliminary import data for 2025–26. However, this most recent data will not be final until the December 2026 reference month estimates are published in early 2027 (ABS 2026c).

This appendix steps out the method the PC used for analysing the imports data, details evidence at more granular levels than is presented in the body of the report and compares the PC's estimates with estimates submitted by inquiry participants.

Methodology for estimating imports

The PC analysed imports using the ABS administrative data Merchandise Trade Imports data module. This module includes a wide range of detailed information, including:

- transaction (a commercial exchange of one category of product), declaration (a collection of transactions), business and port-level ID
- quantity (the 'heaviness' of the product excluding packaging) and value of transactions and weight (the 'heaviness' of the product including packaging) of declarations[32]
- month of transaction and country of origin.

Each transaction has a 10-digit Harmonized Tariff Item Statistical Code (HTISC) assigned to it. This allows the identification and aggregation of import transactions relating to the HTISCs in the inquiry's terms of reference. However, changes to the HTISC classifications in 2015 limited the historical period in which relevant imports data is available (ABS 2022). PC analysis suggested that, for the purpose of

[32] For example, a declaration can include any number of transactions of any number of HTISC codes. The weight variable will include the 'heaviness' of all transactions and associated packaging within a given declaration and will be attributed to the first transaction within a declaration.

understanding import trends in the pre-investigation (and pre-COVID) period, data is most reliable from 2016–17 onwards.[33]

Early testing of the Merchandise Trade Imports module in BLADE suggested that, without developing an approach to address these issues, estimated import quantities may be inaccurate. In particular, 2 concerns were identified.

There were instances where quantity data was missing. The primary issue was that quantity data did not exist for all transactions of HTISC 7308.10.00.01. There were also instances where quantity and customs value measures of a given transaction appeared unrealistically low or high, indicating a high likelihood of reported quantity errors.

The PC developed a methodology to account for these issues in its analysis of imports.

1. Data was extracted on all declarations which included at least one transaction of any FSS HTISC (that is, any HTISC starting with 7308). To prevent double-counting, data was also filtered to exclude intrastate movements of imported shipments.
2. Quantities and weights of 0 were set to NA and the quantity and weight series were converted to tonnes where necessary.
3. Customs value per tonne (quantity) was estimated by HTISC and financial year.
4. Potential data entry errors in reported quantity units were identified by comparing each transaction's quantity-to-weight and customs-value-to-quantity ratios with the median ratios for its HTISC and financial year. Where both ratios indicated that quantity was likely misreported by a factor of 1,000 (kilograms rather than tonnes, or vice versa), the quantity was corrected accordingly.[34]
5. Transactions were identified as outliers where their customs value per quantity tonnage varied by more than 3 standard deviations from the mean within a given financial year.[35] Only non-outlier transactions were included in ensuing trimmed mean calculations.
6. Outlier transactions had their quantity data replaced with the transaction's customs value multiplied by the trimmed mean ratio of quantity and customs value estimated by HTISC and financial year. In the case of transactions for HTISC 7308.10.00.01, quantity was estimated by multiplying the transaction's customs value by the trimmed mean ratio of weight-to-customs value on a financial year basis, then by the mean ratio of quantity to weight across all in-scope FSS products (to account for packaging).[36]
7. For completeness, an attributable weight per transaction was also estimated. Where all transactions within a declaration included an attributable quantity measure, weight was attributed proportionately to this measure. Otherwise, weight was estimated by multiplying the quantity measure by the HTISC-level mean ratio of weight to quantity.[37]

[33] While the new classifications were implemented from 2015–16, evidence from DataLab suggested that imports may have been inaccurately allocated in many cases during the first year of implementation.

[34] This is an additional step compared to the series presented for the interim report, but results did not vary significantly.

[35] The data appeared normally distributed. Under a normal distribution, approximately 0.3% of datapoints fall outside three standard deviations.

[36] This mean was restricted to declarations with only one transaction to ensure only relevant products were included in the ratio.

[37] As with 7308.10.00.01, this mean was restricted to declarations with only one transaction to ensure only relevant products were included in the ratio.

8. To meet the requirements of the free trade agreements with New Zealand and Singapore, imports from these countries were excluded from aggregates.
9. Data was aggregated and processed for reporting purposes.[38]

The PC's approach reveals the scale of assessed data quality issues when interpreting imports in terms of the quantity series (figure B.1, left panel). Where the 'raw' series indicates a significant increase in imports over 2021–22 and 2022–23, the PC's approach to analysing the imports data largely identifies these instances as being driven by unrealistic custom value to quantity ratios. This indicates a high likelihood of incorrectly reported quantities. Further, outside these years, PC analysis closely follows the raw series.

In response to stakeholder feedback on the interim report, the PC has also estimated imports using an approach informed by the ATRC's analysis in certain anti-dumping investigations (ATRC, pers. comm., 12 November 2026). The PC independently replicated a comparable method to estimate an alternative series (figure B.1, right panel). The approach applies 2 key differences to the PC's central imports series:

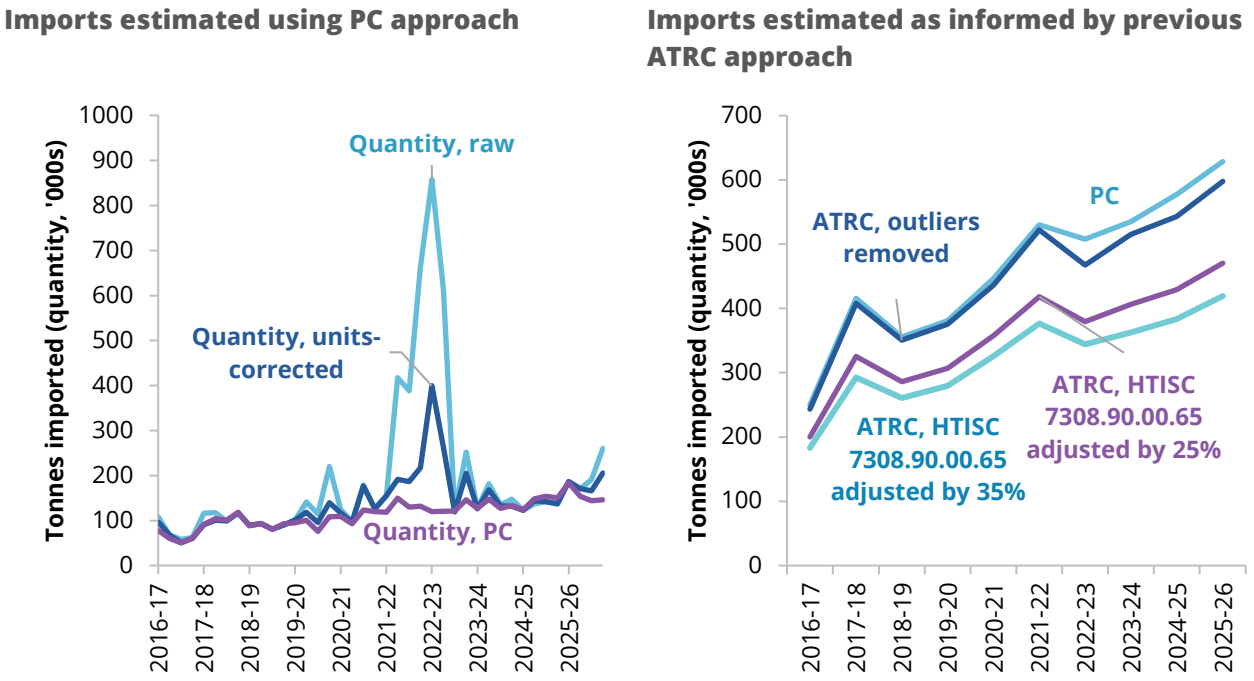
1. Outliers, which were removed, were identified as transactions valued below $100 per tonne or above $100,000 per tonne.
2. Total quantity recorded under code 7308.90.00.65 was adjusted downwards by 25% and 35%. This presented a range to reflect previous analysis by the ATRC (in a prior anti-dumping matter, unrelated to this safeguards inquiry) which suggested that between approximately 25% to 35% of transactions in a given year were for products which would not usually be identified as FSS.39 Notably, this approach only approximates this finding. The PC did not have access to transaction descriptions, so the adjustment factors were applied at the total quantity level rather than to specific transactions, and ranges were estimated for each year.

As quantity is available at the transaction level while weight must be imputed at this level, the PC did not consider this series for the final report. Estimates of this series are available in the interim report.

[38] Testing of the outlier analysis approach was also undertaken by removing outliers rather than imputing quantities, and it was found that this series did not notably vary from the imputed series. The broader method was tested internally and with the international statistics team at the ABS.

[39] This assessment was based on the provided descriptions, finding that this removed between approximately 25% and 35% of transactions depending on the year (ATRC, pers. comm., 3 November 2026).

Figure B.1 – The PC's approach removes the impacts of potential misreporting issues

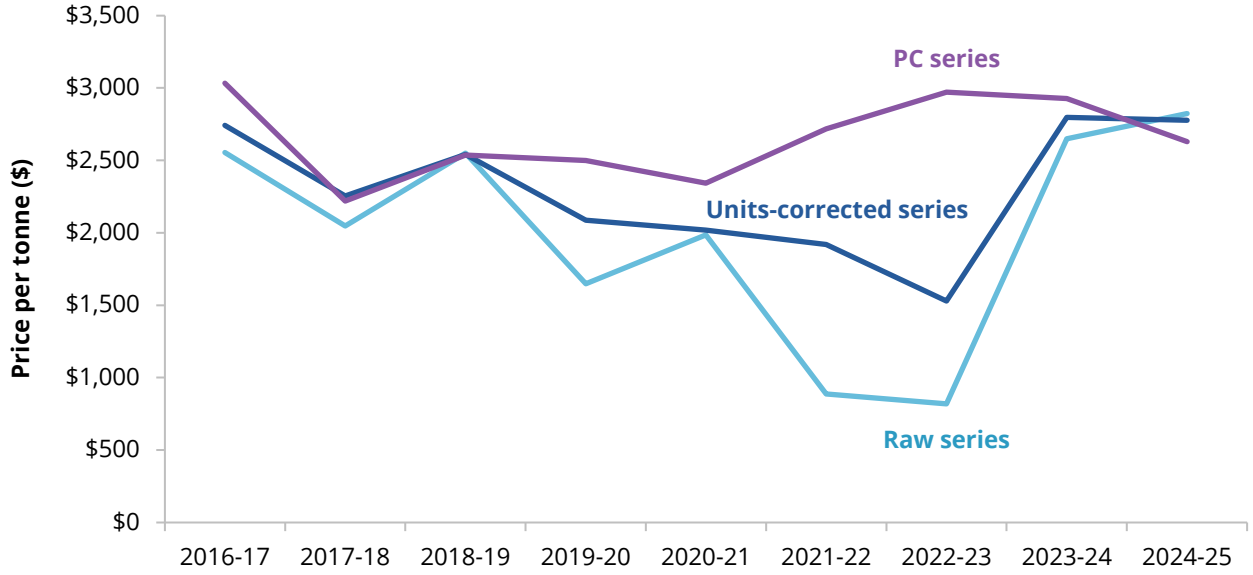


Source: PC analysis using ABS administrative data.

Combining import quantity estimates with official import customs value statistics produced by DFAT further supports the likelihood of data entry error in the quantity series. The raw import series suggests the average price per tonne of imported in-scope FSS fell from just over $2,500 to just over $800 from 2018–19 to 2022–23, before rising to over $2,800 in 2024–25 (figure B.2). These price effects are dampened when correcting for more obvious cases of potential data mis-entry. However, PC analysis of the time series suggests a smoother time series, generally increasing over time with some price falls in select years, with prices rising over the inflationary 2021–22 and 2022–23 years rather than falling as the raw series would suggest. This provides further confidence in the robustness of the cleaning approach employed by the PC.

Figure B.2 – The PC's unit price estimates are steadier than less processed estimates

Implied nominal unit prices of different stages of import data analysis



Source: PC analysis using ABS administrative data and DFAT (2026b).

The PC believes that our quantity series is the most reliable series for estimating imports of in-scope FSS products. This reflects that the quantity measure explicitly excludes the weight of packaging. If packaging were not excluded, the 'weight' variable would be expected to systematically overestimate imports. It is noted that inquiry participants referred to measures inconsistently, with some submissions referring to weight (for example, Steel Builder Australia, sub. 42) while others referred to quantity (Ministry of Commerce of the People's Republic of China, sub. 50; CCCMC, sub. 55; Thailand Department of Foreign Trade, sub. 35).

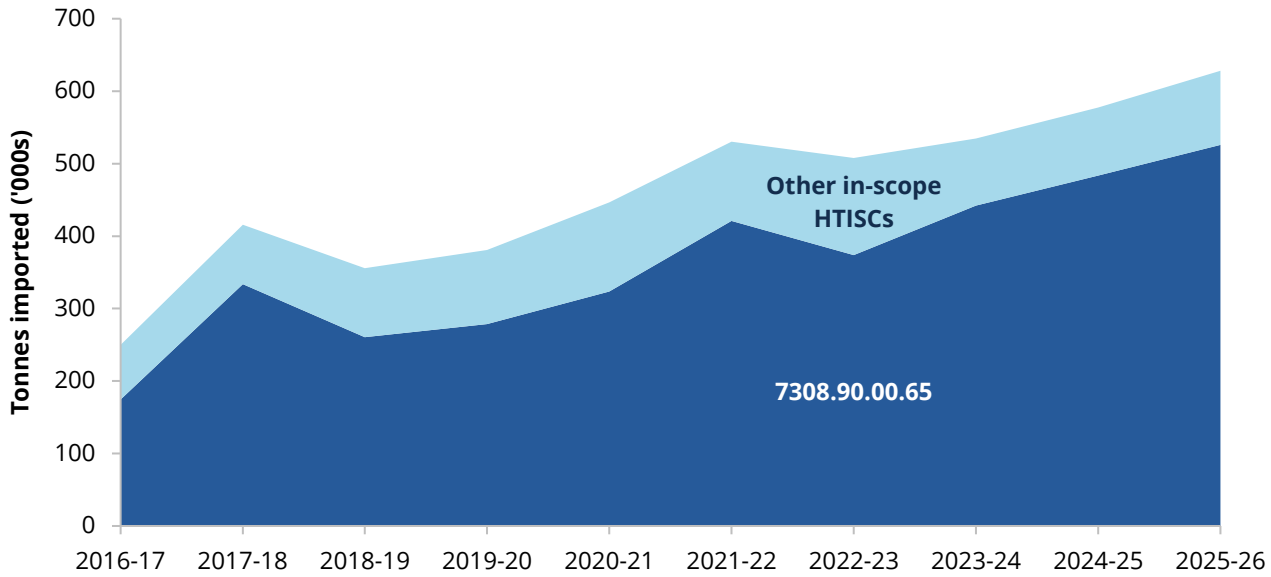
The PC considers that imputing missing volume data is preferable to excluding the relevant transactions (as has been done in the past by the ATRC).

Further analysis of imports

The PC also found that the majority of in-scope imports were of HTISC 7308.90.00.65 (columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units which fall into the 'other' category) (figure B.3). Across the investigation period, this HTISC contributed between 72% and 84% of imports in any given year. Engagement with the ATRC has revealed that between 25% and 35% of transactions within this code may be mischaracterised non-FSS transactions. This implies that imports may be at a lower level, and have a flatter trend, than the data available to the PC suggests.

Figure B.3 – Absolute imports are dominated by HTISC 7308.90.00.65

Imports of in-scope fabricated structural steel by HTISC grouping



Source: PC analysis using ABS administrative data.

Additional analysis was also undertaken for upstream imports as an alternative proxy for production. This data captures one channel for sourcing inputs to the FSS industry, though the products are not used exclusively for FSS production. Through stakeholder consultation, 31 codes were identified as relevant imports to the FSS industry, and of these, 4 were identified to relate most closely to 'long' products analogous to those produced at Whyalla Steelworks.[40] Total imports were estimated with a similar approach to FSS imports. Analysis using this evidence is considered in chapter 3. The 31 codes and their descriptions are detailed below (table B.1).

Table B.1 – Descriptions of HTISC codes included in upstream imports

HTISC	Description: 4-digit	Description: 10-digit
7208.10.00.31	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	In coils, not further worked than hot-rolled, with patterns in relief
7208.25.00.32	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled, pickled: of a thickness of 4.75 mm or more
7208.26.00.33	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled, pickled: of a thickness of 3 mm or more but less than 4.75 mm
7208.27.00.34	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled, pickled: of a thickness of less than 3 mm

[40] These 4 codes are 7216.31.00.30, 7216.32.00.31, 7216.33.00.32 and 7216.40.00.33.

HTISC	Description: 4-digit	Description: 10-digit
7208.36.00.35	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled: of a thickness exceeding 10 mm
7208.37.00.36	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled: of a thickness of 4.75 mm or more but not exceeding 10 mm
7208.38.00.37	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled: of a thickness of 3 mm or more but less than 4.75 mm
7208.39.00.38	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, in coils, not further worked than hot-rolled: of a thickness of less than 3 mm
7208.40.00.39	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Not in coils, not further worked than hot-rolled, with patterns in relief
7208.51.00.40	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, not in coils, not further worked than hot-rolled: of a thickness exceeding 10 mm
7208.52.00.41	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, not in coils, not further worked than hot-rolled: of a thickness of 4.75 mm or more but not exceeding 10 mm
7208.53.00.42	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, not in coils, not further worked than hot-rolled: of a thickness of 3 mm or more but less than 4.75 mm
7208.54.00.43	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other, not in coils, not further worked than hot-rolled: of a thickness of less than 3 mm
7208.90.00.30	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	Other
7211.14.00.40	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than hot-rolled: other, of a thickness of 4.75 mm or more
7211.19.00.41	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than hot-rolled: other
7214.91.00.49	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling	Other: of rectangular (other than square) cross-section

HTISC	Description: 4-digit	Description: 10-digit
7214.99.00.50	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling	Other
7216.21.00.28	Angles, shapes and sections of iron or non-alloy steel	L or T sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of less than 80 mm: L sections
7216.31.00.30	Angles, shapes and sections of iron or non-alloy steel	U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more: U sections
7216.32.00.31	Angles, shapes and sections of iron or non-alloy steel	U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more: I sections
7216.33.00.32	Angles, shapes and sections of iron or non-alloy steel	U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more: H sections
7216.40.00.33	Angles, shapes and sections of iron or non-alloy steel	L or T sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more
7216.50.00.56	Angles, shapes and sections of iron or non-alloy steel	Other angles, shapes and sections, not further worked than hot-rolled, hot-drawn or extruded
7216.99.00.60	Angles, shapes and sections of iron or non-alloy steel	Other
7225.30.00.17	Flat-rolled products of other alloy steel, of a width of 600 mm or more	Other, not further worked than hot-rolled, in coils
7225.40.00.22	Flat-rolled products of other alloy steel, of a width of 600 mm or more	Other, not further worked than hot-rolled, not in coils: high alloy: other
7225.40.00.24	Flat-rolled products of other alloy steel, of a width of 600 mm or more	Other, not further worked than hot-rolled, not in coils: other: other
7226.91.00.67	Flat-rolled products of other alloy steel, of a width of less than 600 mm	Other: not further worked than hot-rolled
7228.30.90.41	Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel	Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded: other: other
7301.20.00.02	Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel	Angles, shapes and sections

Comparison to submissions by inquiry participants

Ahead of the interim report, 8 inquiry participants provided statistical evidence regarding imports of FSS products into Australia, drawing on a combination of Australian and international data sources. No submissions in response to the interim report provided additional statistical evidence relevant to imports.

Across the inquiry participants who provided evidence regarding import statistics, 4 submissions came from domestic industry groups (ASI 2026, p. 19; BlueScope Steel, sub. 48, p. 7; InfraBuild, sub. 40, p. 6; Steel Builder Australia, sub. 42, p. 1). The other 4 came from international bodies and agencies (Ministry of Commerce of the People's Republic of China, sub. 50, p. 4; CCCMC, sub. 55, p. 8; Malaysia Ministry of Investment, Trade and Industry, sub. 61, p. 5; Thailand Department of Foreign Trade, sub. 35, p. 2).

Analysis by the PC differs from that provided by inquiry participants. Variation is driven by 3 factors:

1. Series choice: variation in usage of the weight and quantity series
2. Level of analysis: the implementation of the PC's methodology for interpreting import data which is only available to organisations with access to transaction-level import data
3. Completeness: data provided by the ABS Consulting Service and through other public sources can be incomplete – for example, the ABS Consulting Service removes transactions and declarations in some cases for confidentiality purposes. This has not been a limitation of the PC's analysis.

In general, submissions from the ASI, BlueScope Steel, InfraBuild and Steel Builder Australia found evidence of an increase in imports, all based upon data requested from the ABS Consulting Service. ASI cited an increase from calendar year 2022 to 2024 (ASI 2026, p. 19). InfraBuild evidence suggested a reduction in imports from calendar year 2021 to 2022, then an increase in imports from 2022 to 2025, as well as generally increasing relative imports (InfraBuild, sub. 40, pp. 3–6).[41] Steel Builder Australia reported an increase from 2016 to 2025, and BlueScope Steel reported a material increase in imports (BlueScope Steel, sub. 48, p. 7; Steel Builder Australia, sub. 42, p. 1).

PC analysis supports the general trend reported by the 4 participants that imports have been increasing though the ASI, BlueScope Steel, and Steel Builder Australia appear to refer to the weight series rather than the quantity series. As discussed previously, the series systematically mismeasures in-scope FSS imported – particularly at the level of analysis accessed by these participants – and excludes some confidential transactions.

Submissions from foreign governments suggested there was no significant increase in imports to Australia, drawing upon data from the ABS and the Global Trade Atlas (Ministry of Commerce of the People's Republic of China, sub. 50, p. 4; CCCMC, sub. 55, p. 8; Malaysia Ministry of Investment, Trade and Industry, sub. 61, p. 5; Thailand Department of Foreign Trade, sub. 35, p. 2). Each reported a decline from calendar year 2021 to 2025 while also observing a one-off significant increase in 2022. Data was sourced from both the ABS Consulting Service and the Global Trade Atlas.

These estimates do not align with the PC's analysis of import trends: where the PC identified an increase in imports over time, these submissions suggested there was instead a decrease. The discrepancy is likely driven by the sources of variation outlined earlier in this section (the usage of the quantity series which requires more careful examination to appropriately apply and the removal of some transactions for confidentiality purposes).

[41] The relative imports analysis was based on import code 7308.90.00.65 and confidential estimates of Australian sales of hot rolled structural sections.

B.2 Identifying the Australian FSS industry

The approach used to identify the population analysed is described in detail in chapter 2.

The businesses identified as being members of the Australian FSS industry were analysed using the ABS's Business Longitudinal Analysis Data Environment (BLADE), a collection of administrative datasets housed with the ABS's secure DataLab environment. The environment provides anonymised, firm-level data, which the PC aggregated to form industry-level estimates.

Not all of the businesses identified existed in all of the years analysed or provided data in every year. The largest number of businesses identified in any one year was 2024–25 (table B.2).

Table B.2 – Contributing counts for key variables to the conservative population

	FTE	Headcount	Cost of sales	Sales	Profit	Turnover	Contributed to any	Total ABNs identified
2016–17	220	220	210	200	230	240	240	250
2017–18	220	220	220	210	240	250	250	260
2018–19	230	230	220	220	250	260	260	270
2019–20	250	250	230	220	250	260	270	280
2020–21	260	260	240	230	270	280	280	290
2021–22	270	270	250	230	270	280	290	300
2022–23	280	280	260	240	280	300	300	310
2023–24	290	290	260	250	280	300	300	310
2024–25	290	290				300	310	310

Counts are rounded to the nearest 10.

Source: PC analysis using ABS administrative data.

Adjusting for diversification

A limitation of the administrative data used by the PC is that it does not easily support analysis of different parts of a business. This meant we could not directly isolate the share of business income or other key metrics related to in-scope activities. Instead, we have assigned each business a diversification score based on submissions and publicly available information including business websites. Businesses were assigned a diversification score from 1 to 4 according to the following scale:

1. A business that largely focuses on structural steel fabrication.
2. A business that undertakes structural fabrication and some other activities. These businesses present as fabricators but they may also provide other goods and services. For example, they may provide labour or equipment hire in addition to fabrication services.
3. A business that may do some structural steel fabrication but is mainly focused on other activities. Businesses in this category typically present as a diversified operation in which fabrication might be one of several divisions. For example, they may do some fabrication but also offer mining equipment maintenance or electrical services.
4. A business that was initially identified as being a member of the domestic industry (due to being on the list of businesses supplied by the ASI or common consumer of key inputs to FSS production), but closer inspection indicated is not involved in the production of the in-scope products.

The diversification scores are based on current business models, and so may not capture changes in businesses' activities over the investigation period. However, some of the changes reported during the inquiry would not necessarily have altered how those businesses were classified.

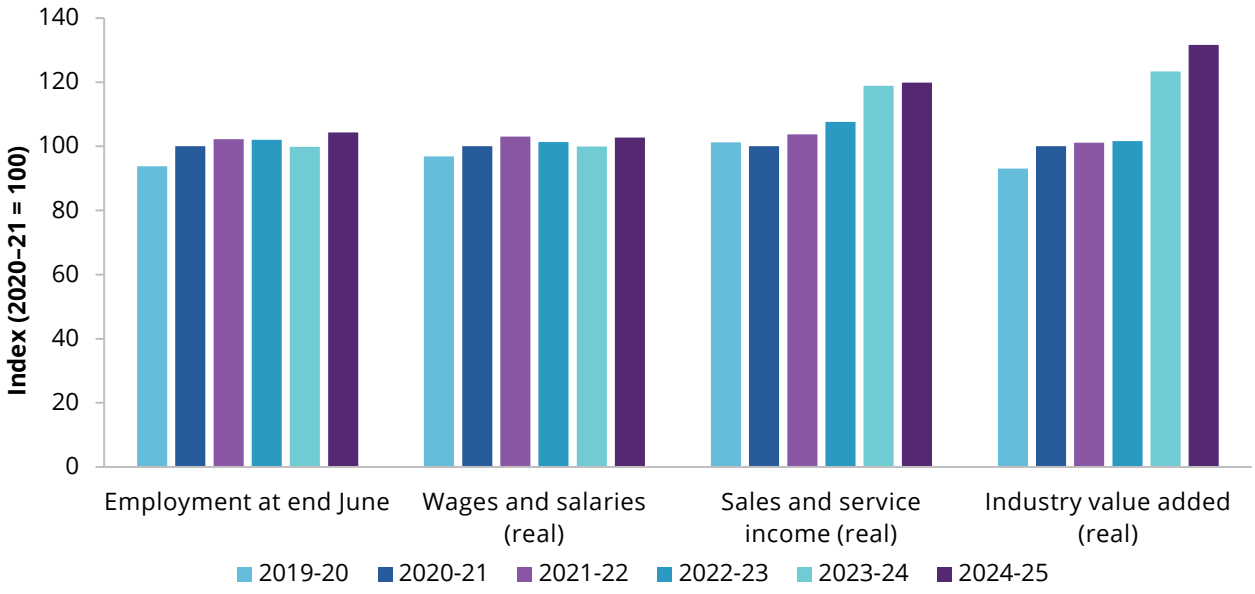
Comparison to ABS FSS industry definition

The ABS publishes annual performance statistics for Australian industries based on the Australian and New Zealand Standard Industrial Classification (ANZSIC), including for 'structural steel fabricating' (class 2221). The ATO assigns businesses an ANZSIC class based on the activity description provided when they first register for an ABN. The assignment may not accurately align with the industry of interest for this inquiry due to misclassification or changes in business activities over time.

The PC believes the industry population we have constructed provides a better foundation for analysing the FSS industry than ABS published data on industry class 2221. Nevertheless, as part of sensitivity testing, the PC considered performance by the ANZSIC 2221 definition to test whether injury determination would vary under this industry definition. All measures for ANZSIC class 2221 increased in the investigation period compared to 2020–21 (figure B.4).

Figure B.4 – There is not evidence of serious injury for ANZSIC 2221

ANZSIC 2221 industry performance relative to 2020–21



Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating) and wage price index for ANZSIC division C (manufacturing).

Source: ABS (2026d) and earlier releases of *Australian Industry*.

B.3 Estimating domestic production

Data on domestic production is needed to calculate relative imports, but this data is not readily available for Australia. The PC has developed its own estimates of domestic production in tonnes based mainly on the PC's definition of the industry and administrative data.

Methodology for estimating domestic production

Four approaches were considered for estimating the tonnage of domestic FSS production:

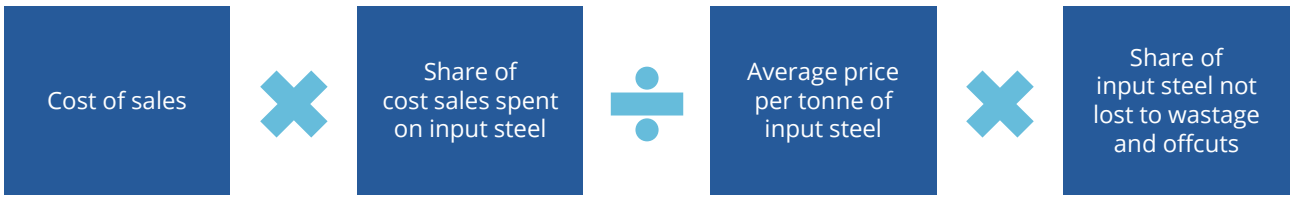
- based on upstream activity: collating distributor data on how much steel was sold to fabricators, and adjusting for wastage in the fabrication process
- based on demand: extracting public tender data to estimate project-level demand for FSS products
- based on downstream activity: estimating FSS production based on activity in the galvanising sector
- based on administrative data: estimating the share of the cost of sales reported by fabricators attributable to steel inputs and adjusting for price per tonne and steel offcuts.

The first approach could not be used because the PC did not receive sufficient data from industry to be confident estimates were representative of the population. The second approach could not be used because tender websites do not provide sufficiently detailed data for effective website scraping.[42]

The third approach was possible for the final report as data from the Galvanizers Association of Australia estimating tonnage of steel galvanised was published by the ASI (sub. 75, attachment 3). This evidence suggested a decline in production commencing in 2022–23. This evidence is discussed in chapter 3 and 4.

The PC also pursued the fourth option. This approach has 4 major steps (figure B.5). In summary, industry-wide cost of sales (drawn from administrative data) is multiplied by an estimate of the share of cost of sales attributable to input steel. This was divided by the average price per tonne of input steel to calculate an estimate of tonnes used. This figure was then adjusted for the share of input steel lost to wastage. The final number is an estimate of domestic FSS production in tonnes.

Figure B.5 – The approach to estimating domestic production of the FSS industry



[42] For example, Estimate One allows projects to be filtered by structural steel, but does not report the value or quantity of the structural steel component, which is often subcontracted separately. Tender websites investigated included: Estimate One, Procore, BCI central and Australian, state and territory government tender websites.

Detail on each of the 4 major steps is as follows.

a. **Cost of sales**: Cost of sales was estimated based on the sum of cost of sales including wages as reported in ABS administrative data. Cost of sales was not available for 2024–25.
b. **Share of cost of sales spent on input steel**: To estimate the share of cost of sales spent on input steel, the PC obtained detailed cost data from 4 fabricators who are members of the ASI.[43] Data provided by fabricators included the cost of sales reported each year on their business income tax statements, as well as the total cost of input steel represented within these figures. A weighted average steel share of cost of sales was calculated using the 4 fabricators' data. This was calculated for the most recent year of data provided by the 4 fabricators (2024–25). This figure was used as an anchor for calculating previous years' steel share of cost of sales based on change over time in the non-labour share of cost of sales (sourced from ABS administrative data), the price for steel inputs (sourced from key industry participants) and an index of all non-labour input costs for ANZSIC class 2221 ('structural steel fabrication').
c. **Average price per tonne of steel**: The PC collected data from several key industry participants on the value and tonnage of steel purchased by fabricators. This data was aggregated to estimate a single price per tonne of input steel for each year.
d. **Share of input steel lost to wastage**: The PC asked several fabricators and inquiry participants about the percentage of input steel lost to wastage and offcuts. We were told the figure is typically in the range of 5–10%. The PC used 7.5% as the central estimate for domestic production.

As cost of sales was not available for 2024–25, production was projected by growing the 2023–24 production estimate by the growth in real turnover from 2023–24 to 2024–25.

The PC's estimate of domestic production is anchored by the share of cost of sales spent on input steel provided by the 4 fabricators. If the estimates provided by the 4 fabricators do not reflect the industry average, the level of domestic production might be biased. For example, if the 4 firms focused on more labour-intensive (tier 1) projects than the industry on average, the PC would underestimate domestic production. However, the level to which domestic production is anchored would not change the pattern of production over the investigation period. The sensitivity analysis below illustrates the likely impact.

Estimates of domestic production based on the conservative and expanded populations are provided in table B.3, along with key inputs into the calculation. Table B.4 includes key parameters used to produce these estimates.

Table B.3 – Estimated domestic production of FSS (tonnes)

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Conservative population	233,900	349,600	360,000	363,400	361,700	356,100	375,200	373,000	379,900
Expanded population	328,300	454,400	470,800	552,700	599,300	553,200	581,700	615,800	621,200

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

[43] Attempts were made to attain the largest possible sample. However, the PC acknowledges that this is a small sample and that there will be uncertainty associated with the application of this data.

Table B.4 – Inputs used to calculate domestic production

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Cost of sales, conservative population ($m)	$1,380	$2,138	$2,424	$2,428	$2,406	$2,870	$3,241	$3,147	-
Cost of sales, expanded population ($m)	$1,905	$2,741	$3,087	$3,638	$3,931	$4,511	$5,076	$5,195	-
Share of cost of sales spent on input steel, conservative population (%)	27%	27%	27%	26%	28%	33%	31%	27%	25%
Share of cost of sales spent on input steel, expanded population (%)	28%	28%	27%	27%	29%	32%	31%	27%	25%
Price per tonne of input steel ($/tonne)	$1,494	$1,554	$1,658	$1,623	$1,734	$2,439	$2,464	$2,118	$1,939
Share of input steel not lost to wastage and offcuts (%)	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

Sensitivity testing for domestic production estimates

Estimates of domestic production can vary substantially depending on the inputs used. Sensitivity testing was undertaken by varying inputs in the following ways:

a. the raw sum of complete cost of sales data was utilised rather than imputing missing data
b. the maximum and minimum average reported share of cost of sales spent on input steel were applied instead of the 2024–25 estimate
c. average price per tonne of input steel was varied by 20%
d. the wastage share of input steel was varied by 2.5 percentage points.

Estimates of domestic production (table B.5) and relative imports (table B.6) can be found below.

Table B.5 – Sensitivity scenarios for domestic production based on conservative population

Tonnes, thousands

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Central estimate	234	350	360	363	362	356	375	373	380
Share spent on input steel (high, 42%)	300	431	444	448	446	439	463	460	468
Share spent on input steel (low, 21%)	198	296	304	307	306	301	317	315	321
Average price (low, -20%)	292	437	450	454	452	445	469	466	475
Average price (high, +20%)	195	291	300	303	301	297	313	311	317
Offcuts (low, 5%)	240	359	370	373	371	366	385	383	390
Offcuts (high, 10%)	228	340	350	354	352	347	365	363	370

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

Table B.6 – Sensitivity scenarios for relative imports based on conservative population

Ratio of tonnes imported to tonnes produced

	2020–21	2021–22	2022–23	2023–24	2024–25	Investigation period change
Central estimate	123.4%	148.9%	135.4%	143.4%	152.0%	28.6 pp
Share spent on input steel (high, 42%)	100.1%	120.8%	109.8%	116.3%	123.3%	23.2 pp
Share spent on input steel (low, 21%)	146.0%	176.1%	160.1%	169.6%	179.8%	33.8 pp
Average price (low, -20%)	98.8%	119.1%	108.3%	114.7%	121.6%	22.9 pp
Average price (high, +20%)	148.1%	178.7%	162.4%	172.1%	182.4%	34.3 pp
Offcuts (low, 5%)	120.2%	145.0%	131.8%	139.7%	148.0%	27.8 pp
Offcuts (high, 10%)	126.9%	153.1%	139.1%	147.4%	156.3%	29.4 pp

Source: PC analysis using ABS administrative data and confidential information from key industry stakeholders.

B.4 Construction of injury metrics

The PC used ABS administrative data collected by the Australian Taxation Office to assess the performance of the domestic FSS industry. The analysis draws on business income tax (BIT), business activity statements (BAS) and Pay As You Go (PAYG) data.

BIT data is derived from business tax returns and provides the most comprehensive insight on business performance, so the PC has relied on BIT for assessing most injury factors in most years. PAYG data was used to assess employment over the periods of interest. As shown in table B.2, not

every entity reports all data in every period. For the safeguard assessment based on the conservative population, the inquiry reports the sum of the variable across firms, ignoring any missing data:

$$Injury\ measure_{j,t} = \sum_{i=1}^{N} y_{i,j,t}$$

As a further sensitivity check for the assessed conservative population, the PC also examined the expanded population. Evidence regarding this population is provided for sales, turnover, profit, EBITDA, FTE and headcount. The pattern of change in these measures is relatively similar across populations.

For the final report, the PC expanded the analysis to include multiple ABNs associated with the same business. The interim analysis used one ABN per business. The PC manually reviewed businesses and their associated ABNs outside DataLab, identifying multiple ABNs for 28% of businesses in the conservative population. The revised ABN list was uploaded to DataLab alongside a PC-assigned business identifier (business_ID) linking the ABNs belonging to each business. The business, rather than the individual ABN, is the unit of analysis, so performance measures and industry statistics are calculated using each business's combined records.

The ABS advised that numeric taxation amounts can be aggregated across related ABNs and that commonly owned ABNs should not report the same taxation information twice (ABS, pers. comm., 18 November 2026). The PC therefore summed the available financial and employment amounts across each business's ABNs to calculate business-level measures. Business type and diversification scores were assigned at the business level. Other characteristics were taken from the ABN with the largest turnover in each year, while information regarding which jurisdictions a business operates was combined across its ABNs.

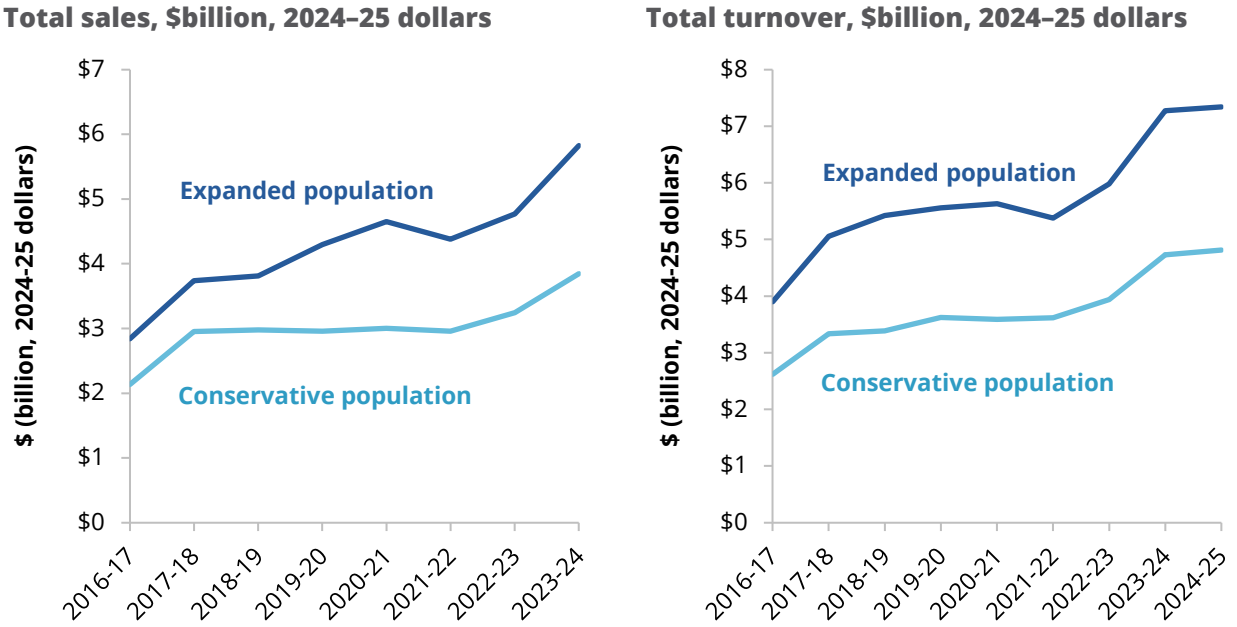
The PC also used the ABS business-group identifier (bg_id) to identify additional ABNs under common ownership or control. These links help capture activity reported through another entity in the group, such as a head company reporting income tax on behalf of its subsidiaries. ABS business-group identifiers are generally available only for larger or more complex businesses profiled by the ABS, so they supplemented the PC's manual grouping of ABNs. Additional ABNs were included where a link to a listed business could be established for the relevant year. Where linked businesses were combined, the resulting business was assigned the highest diversification score, indicating greater diversification.

Sales and turnover

In their annual tax returns, businesses record revenue from providing goods and services under 'Other sales of goods and services', with the exact reporting depending on the business type (table B.7). For the businesses analysed, the vast majority of total income was recorded under 'Other sales of goods and services' (PC analysis using ABS administrative data). Businesses are also required to submit turnover on a quarterly basis in their BAS, collected for non-income tax purposes such as GST, PAYG withholding, and other taxes.

Performance by the conservative and expanded populations for sales and turnover are presented in figure B.6.

Figure B.6 – FSS industry sales and turnover for the expanded and conservative populations



Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

Table B.7 – Sales variables used in BIT

Injury measure	Business type	Variables	Description
Sales	Company	c_sales	Other sales of goods and services
	Individual	i_othbicpp + i_othbinpp	*_othbicpp: Other business income – PP (Primary Production) *_othbinpp: Other business income – NPP (Non Primary Production)
	Partnership	p_othbicpp + p_othbinpp	
	Trust	t_othbicpp + t_othbinpp	

Source: ABS (2026g).

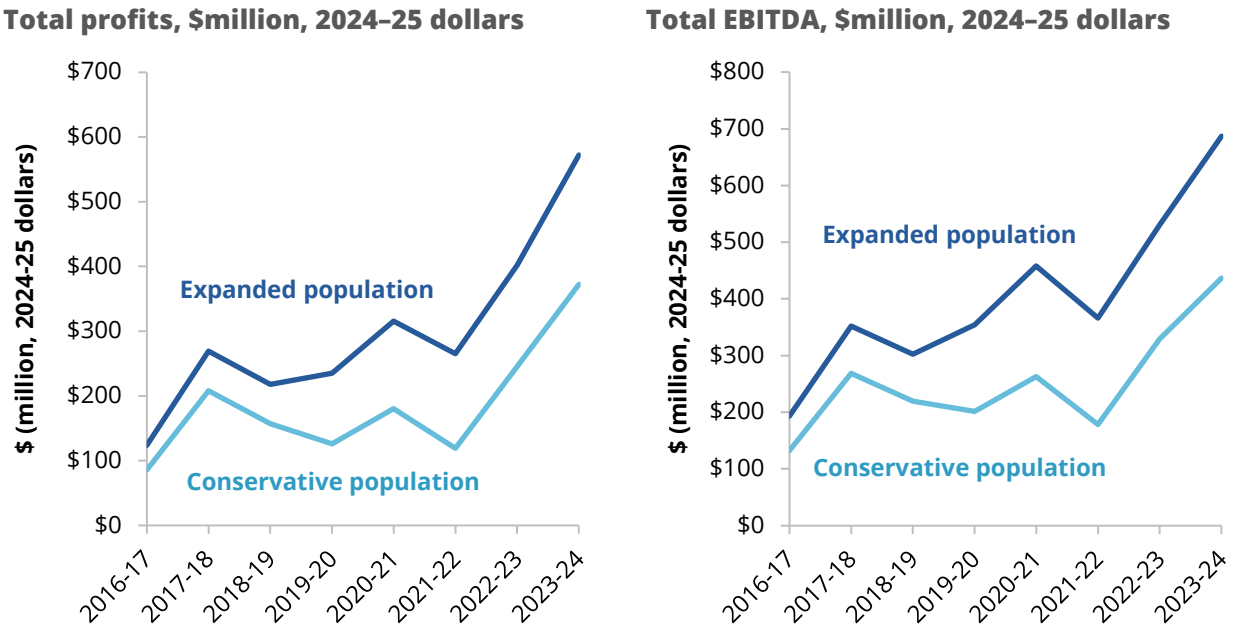
Profit/loss and EBITDA

Total profit or loss represents the pre-tax profit or loss of a business and is calculated as total income less total expenses. This measure of profit or loss is commonly referred to as accounting profit and differs from taxable income, which includes deductions, capital gains/losses, tax losses carried forward from previous years and other adjustments.

Measures of accounting profit can be negatively biased by accelerated depreciation measures, and a range of such measures were available during the period analysed (including instant asset write-offs and temporary full expensing). To investigate whether the accounting profit data was providing a misleading picture of industry profits, the PC also examined EBITDA (earnings before interest, taxes, depreciation and amortisation). EBITDA is calculated by adding back interest and depreciation expenses to the measure of pre-tax profit (table B.9). EBITDA has increased in a similar pattern to accounting profits.

Performance by the conservative and expanded populations for profit and EBITDA are presented in figure B.7.

Figure B.7 – FSS industry profit and EBITDA for the expanded and conservative populations



Source: PC analysis using ABS administrative data. Nominal values were converted to 2024–25 dollars using the ABS producer price index for ANZSIC class 2221 (structural steel fabricating).

Table B.8 – Profit variables used in BIT

Injury measure	Business type	Variables	Description
Profit/loss	Company	c_toprolos	Direct BIT total profit or loss
	Individual	i_netincls + i_ntinnpp	Direct BIT net income/loss from business across PP and NPP
	Partnership	p_netilbus	Direct BIT net income or loss from business
	Trust	t_netilbus	Direct BIT net income or loss from business

Source: ABS (2026g).

Table B.9 – EBITDA components and their BIT fields by entity form

Input variable	Company	Individual	Partnership	Trust
Overseas interest expenses	c_intexpos	i_intexpos	-	-
Domestic interest expenses	c_intexpau	i_intexpau	-	-
Total interest expenses	-	-	p_intextot	t_intextot
Depreciation expenses	c_deprexps	i_deprexps	p_deprexps	t_deprexps

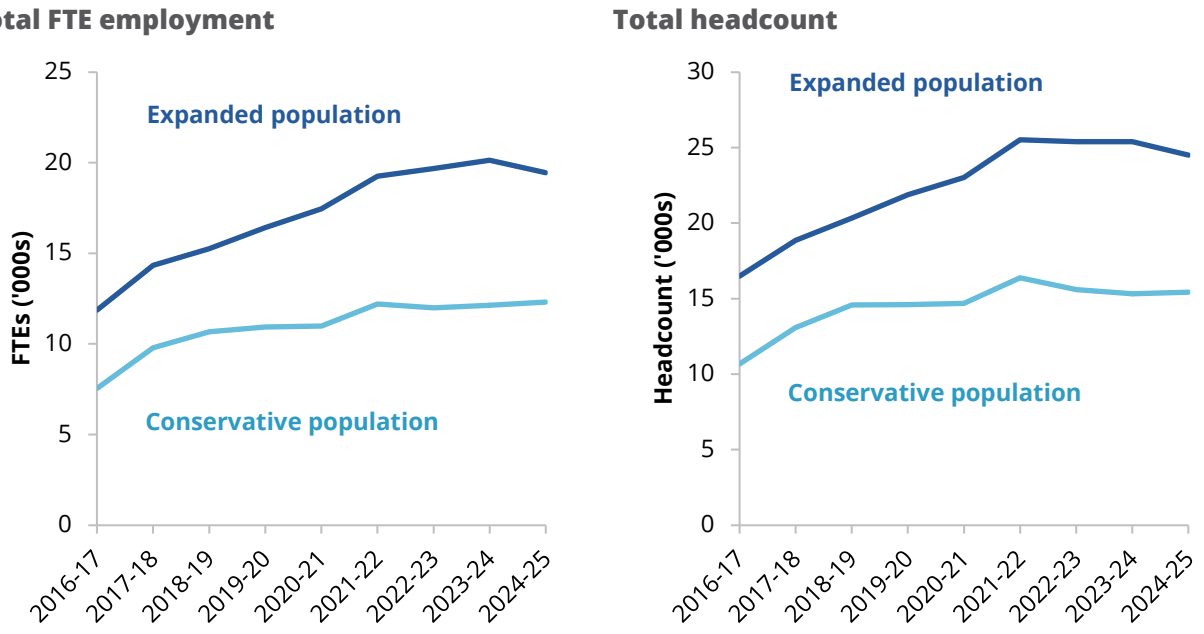
'-' means the form has no analogue for that input.

Source: ABS (2026g).

Employment

Headcount for each firm is provided to the ATO through PAYG statements. The ABS uses PAYG wage expenses and the average annual full-time earnings for each industry and year to derive full-time equivalents (FTE). Performance by the conservative and expanded populations for FTE and headcount are presented in figure B.8.

Figure B.8 – FSS industry FTE and headcount for the expanded and conservative populations



Source: PC analysis using ABS administrative data.

Share of the domestic market and relative imports

Imports' share of the domestic market is calculated as follows:

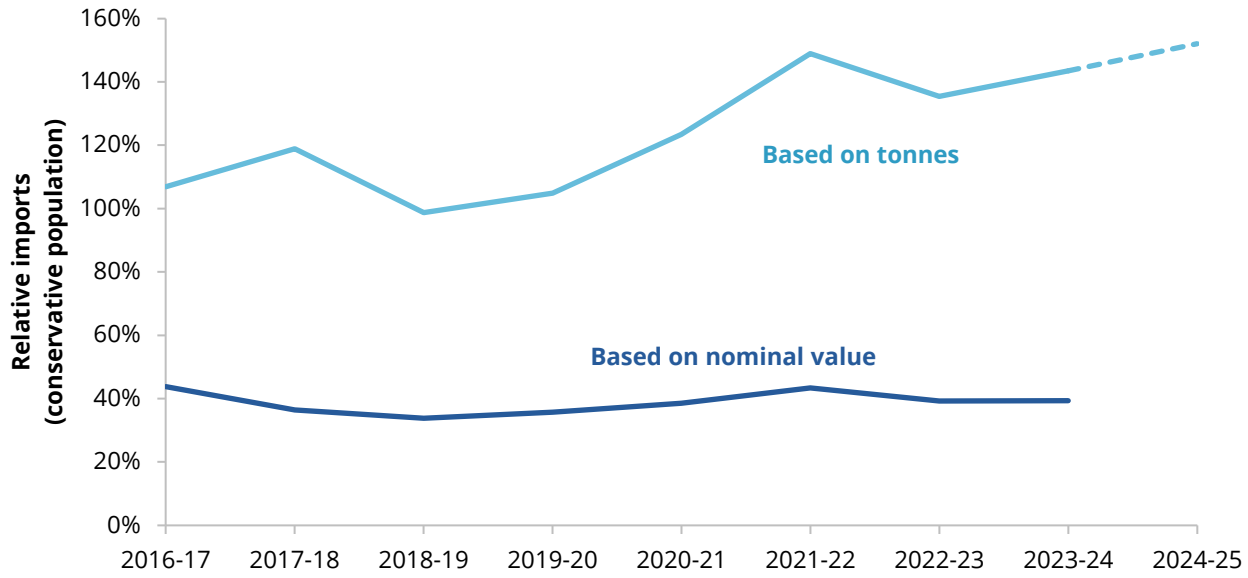
$$market\ share_t = \frac{value\ of\ FSS\ imports_t}{value\ of\ FSS\ imports_t + domestic\ FSS\ sales_t - value\ of\ FSS\ exports_t}$$

The value of imports and domestic sales are taken from estimates previously described. The value of FSS exports is calculated based on the Australian Harmonised Export Commodity Classification codes most closely aligned to the HTISC codes in our terms of reference. These include:

- 7308.10.20: Bridges and bridge-sections, of iron or steel
- 7308.90.00: Structures and parts thereof, of iron or steel (excluding doors, windows and their frames and thresholds for doors and equipment for scaffolding etc).

Imports' share of the domestic market is calculated differently to relative imports. Each series can be used to understand the role of imports in the Australian FSS market. Imports' share of the domestic market, calculated using the above equation, can never go above 100%, and is based on values. Relative imports are calculated by dividing imports by domestic production, which exceeds 100% if imports are greater than domestic production. In addition, for the purposes of determining whether the conditions for safeguards are met, the PC has relied on an estimate of relative imports based on tonnes imported or produced domestically. Relative imports can be calculated using dollar values. Compared with relative imports based on tonnes, relative imports based on values are much lower and exhibit no upward trend over the last decade (figure B.9).

Figure B.9 – Relative imports based on tonnes and nominal value



Source: PC analysis using ABS administrative data.

Investment and capital stock

This section sets out how the PC measures the capital stock, total factor productivity (TFP) and capacity utilisation of the businesses in this investigation. TFP and capacity utilisation are among the indicators the PC uses to assess injury (chapter 4). TFP measures how much output a business produces from its labour and capital combined, and capacity utilisation compares each business's TFP with that of the most productive businesses in its population. Both need each business's capital stock, which ABS administrative data do not contain, so the PC has estimated it.

What is being measured

A business's capital stock is the plant, machinery, vehicles, buildings and other durable assets it uses in production, valued at constant prices. Tax data offer 2 ways to estimate it. The balance sheet information provided for business income tax reports the book value of non-current assets, the measure most often used in productivity research with ABS administrative data (Hambur and Andrews 2023b, p. 6). But book value is an accounting measure rather than a measure of capital in use, and sole traders do not report a balance sheet. The perpetual inventory method (PIM) instead builds the stock from investment, as the ABS does in the national accounts (ABS 2026e, paras 14.44–14.55). Here, each year's investment is added, and the existing stock is depreciated at an assumed economic rate. This values capital on the same basis for every business and year, but needs investment in every year, and a starting value for businesses that already had capital when the data begin. The PC used the PIM as our measure for capital.

Policy context

Several tax changes have altered where businesses report capital spending, and so what the data record.

- From 2016–17, businesses with aggregated turnover under $10 million, up from $2 million, could use simplified depreciation, under which they report deductions on their BIT rather than the cost of asset purchases (ATO 2026a).
- From 2017–18, businesses with GST turnover under $10 million no longer had to report capital purchases on their BAS (ATO 2021).
- The instant asset write-off threshold, below which a business can deduct the (business portion of the) whole cost of an asset in the year it is first used, rose in steps from $20,000 in 2015 to $150,000 for assets first used between March 2020 and June 2021 (ATO 2026b).
- Temporary full expensing allowed the (business portion of the) full cost of eligible assets first used between October 2020 and June 2023 to be deducted immediately (ATO 2025c).

The concessions were intended to encourage investment, and any response to them is real investment that the estimates should capture. But the changes also moved where investment is recorded, so a measure built from a fixed set of fields breaks at each change, mostly for small businesses.

Previous estimates from ABS administrative data

Different approaches have been used to estimate capital stock using ABS administrative data.

- Hambur and Andrews (2023a; 2023b, p. 25) take investment from first deducted, subtract the depreciation and the proceeds of asset sales that businesses report, start each firm from its book value in its first year, and treat missing tax items as zero. Their sample excludes sole traders and ends in 2016–17 (2023b, pp. 6, 27), and they use the PIM only to check their main measure, book value.
- Bakhtiari's PIM (2019, p. 5) uses reported capital expenditure lagged 1 year, a depreciation rate of 5% and an adjustment for leased capital, starting from book value or a steady-state value.

- Fox (2019) starts from a steady-state value, applies ABS depreciation rates in a PIM, and aggregates the results to industries to compare them with ABS productivity estimates.
- The interim report took investment from either BAS reported capital purchases or BIT reported first deducted capital (depending on availability), then applied an assumed manufacturing depreciation rate.

Earlier methods may underestimate investment by small businesses using simplified depreciation from 2017–18 because they do not use the deductions reported instead of first deducted. Methods that subtract reported depreciation also reduce stocks for assets written off immediately without adding the purchase. Hambur and Andrews' sample ends before most of these tax changes.

Those limitations matter for this investigation because it covers a small group of businesses, many of them small, and its capacity utilisation measure relies on each business's capital estimate. They matter less for industry or market-sector estimates, where firm-level errors can average out.

The PC's method is designed to produce business-level capital stock estimates that account for changes in tax settings. It adds small business deductions, consistently takes investment from the income tax return, uses an assumed depreciation rate, and distinguishes reported zeros from missing values. Building and checking stocks business by business also reveals source gaps and inconsistencies that aggregates can hide.

Why investment must be estimated

No single field in the administrative data records investment for every business. What is available depends on the business's size and on the depreciation rules it uses.

- BAS record capital purchases. Businesses with GST turnover of $10 million or more must report them, but since 2017–18 most smaller businesses use the Simpler BAS reporting method, which does not ask for capital expenses (ATO 2021; Win, Hambur and Breunig 2025, p. 8).
- BIT returns record the cost of depreciating assets first deducted, split into intangible and other assets. Only businesses using the general depreciation rules report these amounts (ATO 2022a).
- Small businesses using simplified depreciation report deductions rather than purchase costs, in separate fields (ATO 2022b), with a further field from 2020–21 for assets claimed under temporary full expensing (ATO 2025a).

Other items on the return have limitations for estimating capital stocks.

- Reported depreciation is not subtracted from the stock. For small businesses using simplified depreciation, depreciation expenses include instant write-off and temporary full expensing claims, which reflect tax rules rather than the decline in assets' economic value (ATO 2022a; 2022b). The interim report also avoided reported depreciation because it could be distorted.
- Asset sales are not subtracted, unlike in Hambur and Andrews (2023a). Reported termination-value fields exclude assets in small business pools, whose disposals are instead reflected through the pool calculation (ATO 2025b), so subtracting only the reported termination values would treat small businesses using simplified depreciation differently from other businesses. Stocks are therefore likely to be overstated for businesses that sell assets.
- Non-current assets (total assets less current assets) are accounting book values and include fixed, tangible and intangible assets, as well as leased right-of-use assets from 2019–20 (ATO 2022c; AASB 2016, p. 5). They are used only to start, raise and restart the stock.

Constructing the investment series

For each firm and year, the PC estimates nominal investment as:

- the cost of depreciating assets first deducted (intangible plus other), where it is reported
- otherwise, in years before ABS administrative data records data on small business deductions described below (before 2019–20 for companies and 2018–19 for other businesses), BAS capital purchases less GST, where the business lodged an income tax return that year and the year does not fall between two years in which it reported first deducted
- otherwise, from 2017–18, the small business deductions, where they are reported
- otherwise, investment is treated as unobserved.

Capital Stock

How the PIM works

The PIM treats capital stock as the accumulated value of past investment that remains in use. Each year, existing capital depreciates and new investment is added. For each business, in each year in which investment is observed:

$$k_t = k_{t-g_t-1} \times (1 - \delta_t)^{g_t+1} + inv_t$$

where k_t is the real capital stock at the end of year t, inv_t is real investment in year t, δ_t is the depreciation rate and g_t is the number of consecutive years before year t in which investment was not observed. The stock is depreciated for each of those years as well as for year t, and is not allowed to fall below zero.

The depreciation rate is a single rate for manufacturing: consumption of fixed capital divided by the average of the current and previous year's net capital stock, both in chain volume terms (table B.10). This assumes every asset of every business wears out at the same rate, although computers and software last a few years and buildings several decades (ABS 2026e, tables 14.1, 14.3 and 14.5). It also measures the decline in the value of capital rather than in its capacity to produce, which is what the ABS uses to measure productivity and which declines more slowly (ABS 2026e, paras 14.23, 19.15). So the stocks are lower than an ABS productive measure would be, and are misstated for businesses whose asset mix differs from the average. A rate for each type of asset would need investment split by asset type, which ABS administrative data do not provide. In TFP, an error that changes every business's stock in the same proportion cancels out when businesses are compared with the frontier, but errors that differ between businesses do not.

A reported zero is treated as no investment, and a missing value, or a year with no return, as unobserved. In both cases the stock depreciates with nothing added, so a business that invested in a year it did not report has its stock understated until it is next restarted (below). Blank BIT fields are treated as missing, not as zero.

Starting and re-anchoring the estimate

Capital in any year reflects investment in earlier years, so the PC starts each business's series in 2001–02, the first year for which the ABS administrative data are available, and uses the years before 2015–16 only to build up the stock.

A business that already had capital when it first appears in the data needs a starting value. Zero would understate the stock of every established business. A steady-state value calculated from early investment and assumed rates of growth and depreciation rests on untestable assumptions about the

business's past. For this report we have used book value, as Hambur and Andrews (2023b, p. 25) and as we did in the interim report, because it is the only information available about each business's existing capital. As an accounting measure (above), it can be higher or lower than the capital the business uses. But its influence fades, because the starting value depreciates like any other capital: a share $(1 - \delta)^n$ remains after n years. For a business present from 2001–02, about 23% remains by 2015–16, at the manufacturing rate of about 10% per year. The starting value therefore matters little for businesses observed from the start of the data, but a lot for those that first appear late.

Each series starts in the first year in which investment is observed. Where the business reports positive non-current assets that year, the series starts from that book value, without adding that year's investment, which the closing book value already includes. Otherwise it starts from that year's investment, which understates the stock in the business's early years. A business whose investment is never observed has no capital stock, and so no TFP.

Book values are also used twice more, as the only independent check on a stock built from incomplete investment.

- Once only, a series that started from investment is raised to reported non-current assets the first time they exceed it. It is never lowered, because accounting depreciation can reduce book values faster than the rate used here. The adjustment can therefore only raise stocks, and a raised stock takes on book value's limitations.
- Where investment has been unobserved for three or more consecutive years, the depreciated stock has probably drifted from the business's actual capital, so the series restarts from reported non-current assets, where positive, in the first year investment is observed again. Otherwise it continues from the depreciated stock.

Sole traders do not complete a balance sheet, so their series start from investment and are never re-anchored, and their stocks are understated in their early years.

Businesses with several ABNs

Where a business operates through several ABNs, investment and non-current assets are summed across ABNs linked to it through business group identifiers in the years the link holds, and the PIM is run on the business as a whole. A linked ABN's history before then is included in full. This ensures that capital is measured for the same business unit as value added and employment. This approach differs from the interim report, which treated each ABN on the business list as a separate business. The approach was updated to better capture the capital associated with businesses operating through multiple ABNs.

Alternative measures

Two further measures test whether the results depend on how capital is estimated.

- Depreciation expenses: from 2017–18, depreciation expenses are used as investment for businesses predicted to apply simplified depreciation where no other source is available. The prediction rests on turnover and a blank first deducted field, which a business that bought nothing that year also has, on the general rules. So this is a sensitivity test only.
- Book value: non-current assets, deflated by the capital stock price deflator for manufacturing (table B.10). This follows Hambur and Andrews (2023b), where both total and current assets are reported and the difference is positive. This measure does not use the PIM and is not available for sole traders.

Both are estimated as capital stocks, as is the PIM stock without the small business adjustment. Each is also used to calculate TFP and capacity utilisation on the formula used in the interim report. The TFP measure used in this report is calculated with the PIM method described in this section.

Effect of the small business adjustment

Adding the small business deductions raises the total estimated capital stock by about 5% in 2023–24. The effect first appears in 2018–19, at less than 1%, then rises to 7% in 2019–20, to 16% in 2020–21 and to 26% in 2021–22. Then, it falls to 11% in 2022–23 and to 5% in 2023–24. There is no change in 2015–16 to 2017–18.

How much this matters for TFP depends on how TFP combines capital with labour. In the TFP measure used in this report, a small proportional change in a business's capital changes its TFP by about the negative of the capital share multiplied by that change. In the formula used in the interim report, capital entered at the user cost of capital, and labour expenses were more than ten times that capital measure, so changes to the capital estimate to consistently capture small business capex had little effect on TFP.

Table B.10 – Administrative variables used to construct the investment series

Concept	Variable name in ABS administrative data	Description and use
BAS capital purchases	capex	Capital purchases reported at BAS item G10, divided by 1.1 to remove GST. Used only where a BIT return reports no first deducted, before ABS administrative data holds the small business deductions, and outside the span between the first and last years in which the business reported first deducted
First deducted	c_othdepas, c_intdepas (and equivalents on other forms)	Cost of other and intangible depreciating assets first deducted, BIT item 9. Used wherever reported
Full expensing deduction	c_tfe_bus_ddctn_amt (and equivalents)	Deduction for assets claimed under temporary full expensing, 2020–21 to 2022–23. Used as for the small business deductions
Nominal investment	capex_inferred_pim5b	Combines the sources above in the order set out in the text
Non-current assets	c_totlasst less c_currasst	Book value, where positive. Used to start the stock, to raise it once, and to re-anchor it after a gap
Small business deductions	c_sts_dprtgasts_ddctn_lowcst_amt, c_sts_dprtgastsddctngnrlpool_amt (and equivalents)	Deductions for low-cost assets and for the general small business pool, BIT item 10. Used from 2017–18 where first deducted is not reported

Table B.11 – Parameters used to estimate capital stock

Parameter	Value or source	Use
Investment price deflator	Manufacturing GFCF at current prices divided by chain volume GFCF, ABS cat. 5204.0; reference year 2023–24	Converts investment and book values to real terms
Capital stock price deflator	Manufacturing net capital stock at current prices divided by chain volume, ABS cat. 5204.0, table 58	Converts book value to real terms for the book value measure only
Depreciation rate (δ)	Manufacturing consumption of fixed capital divided by average net capital stock, both chain volume, ABS cat. 5204.0	Annual rate of decline of the stock
Start year	2001–02	First year used to build each business's history
Gap before re-anchoring	Three consecutive unobserved years	Restart from book value, where reported and positive
Timing	Stock at the end of year t	Capital input to TFP in year t

Productivity

TFP measures how much output a business produces from a given combination of labour and capital. It reflects differences in management, technology and organisation, and also in the prices a business can charge. It is meaningful only relative to other businesses or years.

Value added

Value added (VA) is gross output less intermediate consumption (ABS 2026e, para 19.54). It is built from the BIT profit-and-loss statement as:

$$\text{VA} = \text{revenue} - \text{total_expenses} + \text{labour_expenses} + \text{capital_expenses} + \text{other_non_intermediate}$$

Total expenses are subtracted from revenue, and the labour, capital and other non-intermediate components of those expenses are added back, so that only intermediate inputs are netted out. Each component is the sum of the BIT fields in table B.12, which combine correctly across the four BIT forms. Missing fields are treated as zero, and a business-year with no non-missing component is left missing.

Labour (L) and Capital inputs (K)

Labour is measured as FTE employment. Hours worked are not observed directly in ABS administrative data, so the ABS estimates FTE employment based on businesses' PAYG payment summaries and ABS survey data (Hansell et al. 2015; Andrews and Hansell 2019, p. 6).

Measuring labour by employment rather than by labour costs means a business that pays more per worker is not treated as using more labour. More productive businesses tend to pay higher wages, partly because they share productivity gains with their workers (Card et al. 2018, p. S17), so labour costs would count part of their productivity advantage as extra input. TFP is therefore also calculated with real labour costs in place of FTE, as a sensitivity test (table B.13). Labour costs, where used, come from the BIT return, as value added does, and include superannuation and external labour hire (table B.12).

PAYG payment summaries do not cover working proprietors, so FTE understates labour, and overstates TFP, in unincorporated businesses. Adding one FTE for each sole trader (as in Bakhtiari 2019, pp. 4–5) was considered but not adopted. Partners are not recorded, so only sole traders could be adjusted, and one FTE per owner is itself an assumption.

Capital is the end of year capital stock from the PIM, including the small business adjustment.

Total Factor Productivity (TFP)

TFP for business i in year t is:

$$TFP_{i,t} = \frac{VA_{i,t}}{{K_{i,t}}^{\alpha} \times {L_{i,t}}^{(1-\alpha)}}$$

where $VA_{i,t}$ is real value added, $K_{i,t}$ is the real capital stock $L_{i,t}$ labour, and α the share of capital in income or costs. In logs this is $ln\ TFP = ln(VA/L) - \alpha\ ln(K/L)$: value added per worker, adjusted for capital per worker, with α setting how much extra output more capital per worker is expected to bring.

This is the Solow residual (Solow 1957), measured in levels for each business. It is a standard index-number measure of TFP and uses the framework of the ABS estimates of industry multifactor productivity (ABS 2026e, paras 19.5–19.8).[44]

One capital share applies to every business and year, rather than allowing business's own factor payments to set their weights. This puts all businesses on a common basis for comparison and expresses every business-year in common units for estimation of the pooled frontier. Businesses that combine labour and capital differently from the average are measured with error. Because the inputs are multiplied, a change in units, or an error that changes every business's capital in the same proportion, scales all TFP by the same factor and cancels against the frontier.

This approach improves upon the estimation for the interim report in two ways. First, it measures labour inputs more accurately by using FTEs rather than wages, thereby better reflecting the productivity of highly productive firms rather than dampening this through potentially higher wages paid at these firms. Second, it more appropriately deals with prices, measuring TFP using real value added, real capital and FTE combined with a common capital share. This places businesses on a common basis for comparison, rather than allowing differences in firms' wage rates or other factor prices to determine their measured inputs. The approach used in the interim report could partly capture differences in factor prices and profitability, rather than differences in productive efficiency alone (Kendrick 1961, pp. 33–34).

The capital share (α)

The capital share sets how much the capital estimates affect TFP: a 10% difference in capital changes measured TFP by about α × 10%. Two shares were calculated.

- The ABS capital income share for manufacturing, averaged over 2015–16 to 2024–25: 0.348 (ABS 2026f, table 14). It rises from about 0.32 to about 0.37 over the period.

[44] This is a normal approximation of production functions. The approach also assumes constant returns to scale, and that inputs are paid their marginal products, so that each input's share equals how much output responds to it (Hall 1988). Where these assumptions fail, for example because of market power or economies of scale, the residual may not represent technical efficiency.

- A cost share for the businesses in this investigation. This is the user cost of capital times the capital stock, divided by that amount plus labour costs, each summed over the business-years with TFP that report labour costs. On the interim report estimates, labour expenses were more than 10 times the capital measure, which implies a cost share below 0.1.[45]

Each is biased, in opposite directions. The ABS share treats all gross operating surplus as the return to capital, so it includes any profit above a normal return (ABS 2026e, paras 19.81–19.83), and it covers more capital-intensive industries than structural steel fabrication. The cost share equals capital's contribution to output under constant returns (Hall 1988, p. 923), but understates it here, because the user cost has no premium for risk and rented and leased capital is left out. The share for this industry is therefore likely to lie between the two.

The PC used the ABS share. It is published, it does not depend on the businesses being assessed, and it is not affected by the shortcomings of the user cost.

User cost of capital (UC)

The user cost of capital is used for the cost share. It follows the standard user cost of capital approach without its tax terms (Hall and Jorgenson 1967, p. 393):

$$UC_t = Capital_def_t \times (i_t - \pi_t + \delta_t)$$

where Capital_def is the capital goods price deflator, i_t is the nominal interest rate, π_t is general price inflation, and δ_t is the depreciation rate (table B.13). UC is a manufacturing-sector benchmark that is common to all firms in a given year.

Sample restrictions

Business-years with value added of zero or less, capital of zero or less, or less than 1 FTE have no TFP. The 1-FTE minimum replaces the interim threshold of $60,000 in labour costs, and similarly stops near-zero inputs producing extreme ratios. Excluding negative value added drops the least productive business-years, so average TFP and utilisation are overstated in years when more businesses fall below zero, which tend to be poor trading years. The results describe businesses with at least 1 FTE. TFP and capacity utilisation are not estimated for 2024–25 because BIT data are not available beyond 2023–24.

Capacity utilisation

Capacity utilisation measures each firm's productivity relative to a fixed best-practice frontier. It is constructed in 3 steps.

1. **Reference sample.** Within a population, business-years with a positive, finite TFP are kept, and log TFP is trimmed within each year at three standard deviations from the mean.
2. **Frontier.** Each year's frontier is the mean TFP of the top 10% of businesses in the population, and these are averaged over years into a single frontier, F_g:

$$F_g = mean_t(mean\{TFP_i : i \; in \; top \; 10\% \; of \; group \; g \; \& \; diversification \; scores \; up \; to \; d \; in \; year \; t\})$$

[45] The final value was not exported from the DataLab, so the text relies on this published bound.

3. **Utilisation.** Each business-year in the reference sample is scored against its population's frontier and bounded to the unit interval (business-years trimmed in the first step have no utilisation):

$$utilisation_{i,t} = \min(\max\left(\frac{TFP_{i,t}}{F_g}, 0\right), 1)$$

Using the mean of the top 10% stops a single unusual business setting the frontier, although in a small population it rests on few businesses. Pooling the frontier across years makes utilisation comparable over time, but means a change affecting the whole population, such as a fall in prices, appears as a change in utilisation. Capping utilisation at 1 hides how far the leading businesses are ahead.

Table B.12 – Value-added components and their BIT fields by entity form

Input variable	Company	Individual	Partnership	Trust
revenue: total_income	c_totlinc	-	-	-
revenue: total_business_income	-	i_totbusin	-	-
revenue: total_business_income_pp	-	-	p_totbuspp	t_totbuspp
revenue: total_business_income_npp	-	-	p_totbusnp	t_totbusnp
total_expenses	c_totlexps	i_totlexps	p_totlexps	t_totlexps
labour_expenses: wages	c_totlwage	i_totlwage	p_totlwage	t_totlwage
labour_expenses: external_labour_hire	c_extnlabr	i_extnlabr	p_extnlabr	t_extnlabr
labour_expenses: superannuation	c_superann	i_superann	p_superann	t_superann
capital_expenses: rent	c_rentexps	i_rentexps	p_rentexps	t_rentexps
capital_expenses: lease_au	c_leaexpau	-	-	-
capital_expenses: lease_os	c_leaexpos	-	-	-
capital_expenses: lease	-	i_leaextot	p_leaextot	t_leaextot
capital_expenses: depreciation	c_deprexps	i_deprexps	p_deprexps	t_deprexps
capital_expenses: interest_au	c_intexpau	i_intexpau	-	-
capital_expenses: interest_os	c_intexpos	i_intexpos	-	-
capital_expenses: interest	-	-	p_intextot	t_intextot
other_non_intermediate: royalties_au	c_royexpau	-	-	-
other_non_intermediate: royalties_os	c_royexpos	-	-	-
other_non_intermediate: royalties	-	-	p_royextot	t_royextot
other_non_intermediate: bad_debts	c_baddebts	i_baddebts	p_baddebts	t_baddebts

'-' means the form has no analogue for that input.

Source: ABS (2026g).

Table B.13 – User cost of capital inputs

Input	Source	Construction
i_t	RBA, F1 Cash Rate	Monthly cash rate target, averaged over the financial year. Stored as a decimal.
pi_t	ABS, CPI All Groups Quarterly (table 17)	FY-on-FY change in the average all-groups CPI index over the four quarters. Stored as a decimal.
Capital_def	ABS, GFCF by Industry and Asset (5204064)	Division C current-price GFCF divided by chain-volume GFCF.
delta	ABS, Net Capital Stock by Industry (5204063) and Consumption of Fixed Capital by Industry and Asset (5204065)	Division C consumption of fixed capital (chain volume) divided by the average of current- and prior-year net capital stock (chain volume).

Estimating values for 2024–25

While injury measures based on BAS and PAYG data were available to 2024–25, BIT data was only available to 2023–24.

In the interim report, cost of sales (and production), sales, EBITDA and profits in 2024–25 were imputed based on the average ratio of these variables to turnover over the investigation period, for which data is available in 2024–25. This involved multiplying the historical ratio by average firm turnover in 2024–25 (and scaling this figure up to reflect the total number of firms).

This effectively assumed that each variable-to-turnover ratio would fully and immediately return to its recent historical average in 2024–25. Further examination did not provide a strong basis for applying this assumption across the variables.

The PC also investigated regression-based approaches to estimating unavailable 2024–25 data, including lasso fixed effects panel regressions. However, the limited number of predictive variables and missing data across the sample led these approaches to misspecification issues and poor predictive power.

The PC has therefore not estimated 2024–25 sales, EBITDA or profit for the final report. Sales have not been estimated because turnover is directly observed in 2024–25 and has historically tracked sales closely. EBITDA and profit have not been estimated because their relationship with turnover depends on changes in costs and margins that cannot be inferred with sufficient confidence based on the available data. Other sources of information are sufficient to assess the condition of the industry without extending these series beyond 2023–24.

The production estimate for 2024–25 is now calculated by multiplying its 2023–24 estimate by the growth in real turnover. This approach has been taken because the PC considers the growth in real turnover is likely the best source of information on the change in activity in the industry from 2023–24 to 2024–25. Estimating a 2024–25 value for cost of sales, and implementing the approach to estimating production used for earlier years, would have introduced additional methodological assumptions and data without actually utilising any more information about the level of activity in the sector in 2024–25.

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