



Australian Fabricated Steel *Creating solutions, creating jobs.*

The Australian Institute of Steel Construction (AISC) and Steel Institute of Australia (SIA) are conducting a national campaign to raise awareness of damage to the Australian steel construction industry from imported fabricated steel. The very fabric of the industry is now at risk, from manufacturing, through to distribution, fabrication, design and detailing, surface treatment and steel transportation. The nation-wide economic flow-on effect of the collapse of the steel construction industry would cost billions, including deterioration in our balance of payments and adverse impacts on social security and tax revenue from the continuing direct and indirect loss of employment.

The industry is at work on increasing innovation and efficiency, lowering costs, and adding value to the delivery of services to increase its international competitiveness. None-the-less, government partnership and cooperation is needed to ensure that the future of this key secondary industry remains secure.

Australian Jobs

Thousands of Australian jobs in steel fabrication and associated sectors are now under threat.

Already, Australia's seven largest steel fabricators have terminated 80% of employees in the past 12 months. Companies including Evans Deakin Industries in Queensland and Transfield in New South Wales, have closed their large steel fabrication facilities.

Offshore purchasing practices by developers are leading to a loss of vital skills and capability in the steel construction industry in this country. This will restrict the ability of project managers and developers to source projects of all sizes locally in the future.

Fewer steel fabricators will mean fewer opportunities to undertake significant projects. This will ultimately lead to a major loss in sector knowledge and expertise, already heralded by the fact few firms are now taking on apprentices.

What the industry wants:

- **Local content provisions must be tied to taxpayer subsidies and support.**

The Australian steel construction industry supports the principle of government encouragement for major infrastructure projects as a means of bringing prosperity to specific areas. However, governments must place local content provisions on subsidies to ensure taxpayer dollars stay in the Australian community. Such provisions will also provide time for adequate industry adjustment in the face of rapidly increasing global competition.

- **Fair and equitable access to project tenders.**

The industry is not asking for changes to current tariff policy. It is asking for access to the tender process for major projects, as present tender practices can often serve to lock out many local operators.

- **Require Project Impact Statements for all major projects.**

Local steel construction encourages the Federal Government to implement the proposed requirement for project managers and developers to complete Project Impact Statements (also known as Australian Industry Development Plans) for major projects, to demonstrate the economic impacts of sourcing fabricated steel from overseas suppliers. State governments are being called upon to enforce similar requirements for projects within their jurisdictions.

- **Recognise the risk from a permanent loss of key skills and vital capabilities.**

Developers and project managers must be made aware that their current offshore purchasing practices will rapidly lead to a loss of vital skills and capabilities in the steel construction industry in this country. This may restrict their ability to source projects of all sizes locally in the future.

- **Understand the total value proposition.**

Developers and project managers must be made aware of the additional value local suppliers bring to a project, including a familiarity with local standards, conditions and practices, and a track record for innovation and quality. They must also be convinced of the risks associated from imports including rework, supply delays, over-ordering and delivery inefficiency. Actual case studies, including the Brisbane River Footbridge, reveal that local product is superior to imports in quality, design and supply efficiency.

- **Specify that the work must comply with Australian Standards**

It is common knowledge in the Australian building industry that overseas certificates from many countries can not be trusted. To ensure quality and reliability of certification, overseas material test certificates should not be acceptable for structures built in Australia. Only Australian National Association of Testing Authorities (NATA) inspection certificates, or other Australian building code certificates should be acceptable. This will ensure that fabrications and finishes conform to Australian Codes and Standards.

- **Evaluate the ethics of imports.**

Developers and project managers, and the governments that subsidise their projects must be made to consider the ethics of supporting unacceptable environmental management and workplace practices to be found in some offshore steel fabrication workshops. Australian operators must meet strict quality standards and environmental, health and safety requirements which add significantly to their costs. Such standards make it impossible but also undesirable to mirror the offshore situation.