



AUSTRALIAN STEEL INSTITUTE

## **Opportunities to Improve Productivity of the Queensland Construction Sector**

This submission by the Australian Steel Institute ([www.steel.org.au](http://www.steel.org.au)) outlines how strengthening Queensland's local steel supply chain can significantly enhance productivity across the construction sector. Steel is a critical input in residential, commercial, and infrastructure construction.

A resilient, efficient, and integrated local steel industry directly contributes to reducing lead times, stabilising input costs, and facilitating the faster delivery of high-quality construction outcomes.

We propose targeted reforms in procurement policy, supply chain development, skills enhancement, and regulatory alignment to harness the full productivity potential of the steel sector in Queensland.

### **1. Context and Importance of Local Steel in Construction**

Steel is central to modern construction and is used extensively in housing, commercial and industrial buildings including facades, roofing, and civil infrastructure.

Queensland's steel sector supports thousands of jobs across manufacturing, fabrication, transport, and construction services. The Queensland steel industry is a significant contributor to the state's economy supporting over 13,000 direct skilled jobs and providing a total employment benefit of over 45,000 full time employees when considering indirect and induced jobs.

Leveraging local steel supply reduces dependence on imports, mitigates global supply chain disruptions, and supports circular economy practices through local recycling and manufacturing.

### **2. Current Challenges and Opportunities**

#### **Challenges:**

Lack of coordination in demand for structural steel with either a feast or famine scenario which negatively impacts local SME steel fabricator businesses which have to balance labour and capacity to meet demand.

Increased use of imported fabricated steelwork on local projects priced well below the cost of locally fabricated steelwork without adequate surety on compliance with the National Construction Code (NCC) and environmental standards creates unfair competition and damages local steel businesses.

Regulatory misalignment: Inconsistent local content and procurement policies disincentivise local steel use. There are currently 3 local content policies in Queensland, none of which specifically support the Queensland steel supply chain as a minimum % of locally milled and fabricated steel is not specified.

The current local content schemes in Queensland are:

- **Buy Queensland 2023**  
Buy Queensland 2023 is the latest evolution in the Buy Queensland approach to government procurement. It has a focus on building on the achievements of Buy Queensland and the procurement investment opportunity for the Brisbane 2032 Olympic and Paralympic Games. Buy Queensland 2023 commenced on 1 June 2023 and is made up of the [Queensland Procurement Strategy 2023 – Jobs, Economy, Legacy, Confidence \(QPS 2023\)](#) and the [Queensland Procurement Policy 2023 \(QPP 2023\)](#). The QPS 2023 and QPP 2023 work as one: the strategy sets the context and direction, and the policy details the 'how' to get there.
- **Queensland Government Charter for Local Content**  
This charter aims to provide all businesses with full, fair and reasonable opportunities to tender for Queensland Government procurements. The [Queensland Charter for Local Content](#) and [Agency Guidelines](#) are designed to support government agencies to incorporate the principles of the charter into their procurement processes and procedures. Additionally, the Queensland Charter for Local Content [Tenderers Guidelines](#) has been designed to assist managing contractors delivering projects for the Queensland Government that fall within the charter.
- **Local Benefits Test**  
This forms part of the Queensland Government Procurement Policy and is administered by the Queensland Department of Housing, Local Government, Planning and Public Works. A data sheet on the Local Benefits Test is available at [Local Benefits Test](#).

The above Queensland local content schemes are essentially ineffective for the Queensland steel supply chain. Even though a prime contractor can report a high percentage of local content (incl earthworks, concrete etc) on a project all of the fabricated steelwork may be sourced from overseas therefore bypassing the Queensland steel supply chain. A local content scheme is needed that specifies a minimum percentage of Australian milled and fabricated steel for Queensland government projects and other projects where government has control or influence of the procurement process.

### **Opportunities:**

**Advanced manufacturing and automation:** Investments in robotics, BIM-integrated steel detailing, and automated fabrication can drastically improve throughput and accuracy.

**Regional steel hubs:** Developing regional steel processing, fabrication and logistics centres can support decentralised construction efforts and reduce transport costs.

**Sustainable steel production:** Opportunity for the Queensland steel supply chain to lead in low-emission steel fabrication to align with the highest ESG requirements and the Green Building Council of Australia (GBCA) green star rating scheme via Steel Sustainability Australia (SSA).

### **3. Proposed Reforms and Actions**

#### **A. Procurement and Policy Settings**

##### **Minimum local steel content in Queensland government funded projects**

Mandate minimum local steel content targets in government-funded construction, particularly for Olympics 2032 and public housing projects. A minimum percentage of locally milled and fabricated steelwork should be specified for Queensland government projects to align with the requirements in other states such as Victoria where a minimum percentage of locally fabricated steel is required on government projects. The Oxford Economics report “Benefits of a Government Procurement Program for Local Steel Content” which was produced for BlueScope Steel highlights the benefits of both 75% and 90% local steel procurement options for publicly funded projects over the next decade:

- Option 1: a minimum of 75% local steel procurement for publicly funded works across each segment of construction. Supports an additional 1,860 direct, indirect and induced full time employees.
- Option 2: a minimum of 90% local steel procurement for publicly funded works across each segment of construction. Supports an additional 4,010 direct, indirect and induced full time employees.

Option 2 corresponds to the minimum local content required for public strategic projects in Victoria under the industry participation plan, while Option 1 provides a mid-point between Option 2 and the business-as-usual proportions of local steel procurement.

##### **Streamlined Prequalification Process**

Introduce a streamlined prequalification process for local steel suppliers and fabricators to reduce red tape. Only permit steel fabricators certified to meet the requirements of AS/NZS 5131 to tender on Queensland government projects. For further details, refer to <https://www.scacompliance.com.au/>

Prioritise suppliers using certified sustainable and traceable steel under government procurement policies. Only permit steel fabricators certified to meet the requirements of Steel Sustainability Australia to tender on Queensland government projects. For further details, refer to <https://www.steelsustainability.com.au/>

#### **B. Skills Development**

Increase funding for TAFE and vocational training specifically for steel trades (welding, detailing, fabrication).

Increase support for industry partnerships with secondary schools and universities to build career pathways into steel-related construction roles.

#### **C. Infrastructure and Innovation**

Increase funding to state-supported manufacturing hubs to specifically assist steel supply chain companies to adopt advanced technology and improve business systems. Include a particular focus on prefabrication, modularisation, and advanced analytics for production planning. Extend the manufacturing hubs program to the whole of Queensland.

This will assist to increase the use of advanced manufacturing technologies within the steel industry, such as automation and digital modelling, to enhance productivity and reduce construction timelines.

#### **D. Regulatory Harmonisation**

Align the Queensland Government's steelwork specifications with the National Structural Steelwork Compliance Scheme (NSSCS) to avoid duplication and reduce approval delays for suppliers. For further details, refer to <https://www.steel.org.au/what-we-do/focus-areas/quality-and-compliance/>

Collaborate with local governments to adopt uniform policies encouraging the use of pre-qualified, certified steel fabricators.

### **4. Contribution to Key Government Priorities**

#### **Housing Delivery**

Local prefabricated steel framing systems can cut construction times for housing by up to 40%, supporting the 50,000-dwelling annual target.

Steel's durability and recyclability supports faster, low-maintenance housing developments.

#### **Regional Development**

Steel-based construction solutions enable remote deployment of modular infrastructure (schools, hospitals, housing) in regional Queensland.

Regional supply chain support improves competitiveness of SMEs and subcontractors for government tenders.

The use of joint ventures for fabricators in regional centres will increase capacity to meet demand and keep the work in the regional centres.

#### **Cost and Quality Assurance**

The Australian and Queensland steel supply chain adheres to stringent quality and safety standards, ensuring reliability and compliance in construction projects. The industry's commitment to quality reduces rework and enhances overall project efficiency and safety.

Local sourcing decreases logistics costs and delays caused by overseas shipping and customs clearance.

## **5. Recommendations**

1. Introduce a Queensland Local Steel Procurement Framework tied to public works projects.
2. Establish local and regional steel processing and prefabrication hubs supported by public-private partnerships.
3. Develop a Steel Industry Capability Fund to support SME innovation and workforce training.
4. Align regulatory standards and approvals to enable increased use of modular steel construction and ensure compliance with Australian standards.

## **6. Conclusion**

Boosting the productivity of the local steel supply chain offers a high-impact, scalable, and achievable pathway to lift construction sector performance across Queensland. With coordinated policy reform, investment in skills and innovation, and strategic procurement leadership, Queensland can realise more resilient, efficient, and affordable construction outcomes. For a more detailed understanding of the local steel supply chain, please consult the ASI report: Capability of the Australian Steel Industry to Supply Major Projects in Australia available at <https://www.steel.org.au/resources/elibrary/resources/capability-of-the-australian-steel-industry-to-sup/>

**Appendix:** *BlueScope Steel Presentation “Benefits of a Government Procurement Policy for Local Steel - Overview” based on the Oxford Economics Report “Benefits of a Government Procurement Program for Local Steel Content”.*



May 2024

# Benefits of a Government Procurement Policy for Local Steel - Overview

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# Acknowledgement of Country

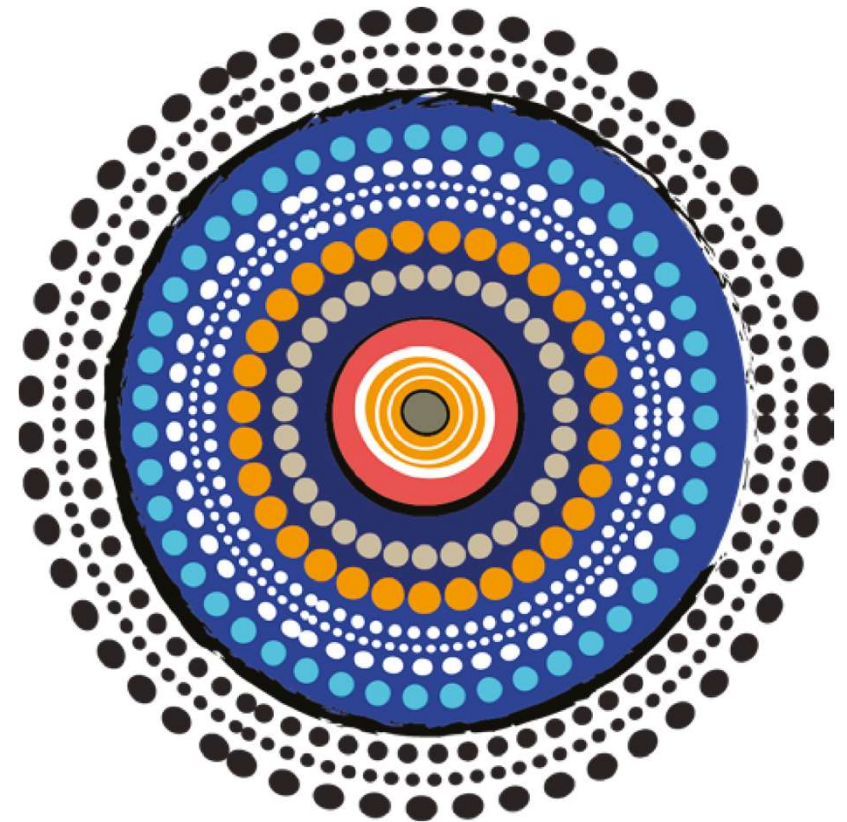


## **BlueScope acknowledges the Traditional Custodians of the land on which we work, live and operate.**

We recognise our First Nations Peoples who have inhabited Australia for millennia, their enduring connection to Country, sky, and waterways and their rich and vital cultures.

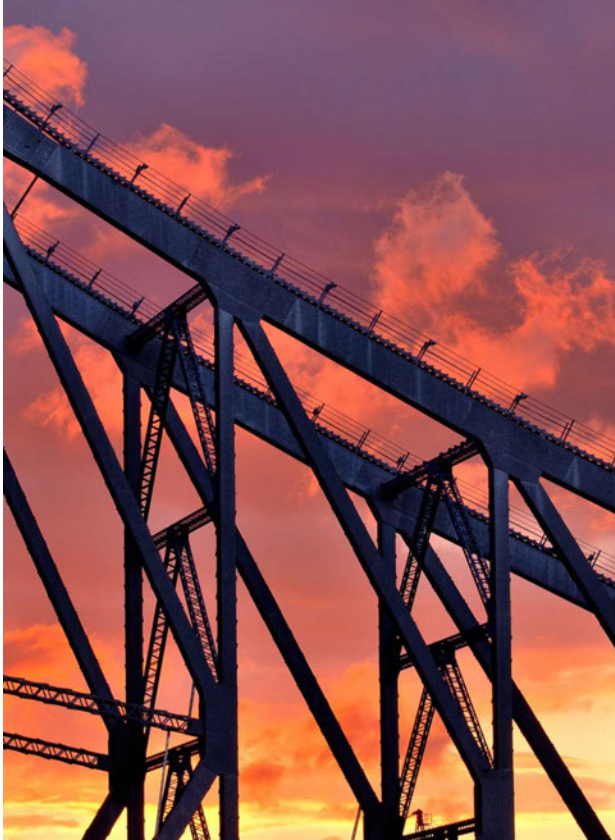
We acknowledge the many different Nations across this ancient continent; from rural and remote communities, to our cities and suburban streets.

We honour and pay respect to Ancestors, Elders, and their descendants as the Custodians of this Country. It is through the Ancestral knowledge and stories of local Peoples that we can more fully know and understand Country and the unique ways in which Country connects us all.



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# Important Notes



BlueScope | QLD Procurement



This presentation is based on the report 'Benefits of a Government Procurement Policy for QLD Steel – February 20241' that was commissioned by and is confidential to BlueScope Steel Limited and may not be published or distributed without their prior written permission.

All data shown in this presentation are Oxford Economics Australia's own data, except where otherwise stated and cited in footnotes. The modelling and results presented here are based on information estimated by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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# Agenda



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Steel Industry**



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**QLD  
Steel Industry  
Contribution**



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**QLD Steel  
Industry  
Employment**



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05

**Local Content  
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# The Steel Industry Makes a Significant Economic Contribution to Queensland



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## Facts about the industry



**22%**

of Australian steel industry employees are Queenslanders.



**16%**

of the Australian steel industry's economic value added is in QLD.



**\$17.3B**

Total value add benefit to Queensland.



For every  
**\$1M**

Invested in the QLD steel industry the economic multipliers are

- **4 FTEs** are employed in steel and related industries
- **\$2.5M** of output is added to the QLD economy
- **\$1.1M** of value added is added to QLD Gross State Product



Represents

**3.8%**

of QLD's \$454 Billion state Gross State Product.

Figures prepared by Oxford Economics *Benefits of a Government Procurement Program for Local Steel Content*, February 2024

# Steel Jobs in Queensland Are Critical



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## Facts about the industry



**180,000**

Employees in QLD work in manufacturing.



**13,777**

People work directly in the QLD steel industry.



Represents **7.7%**

QLD manufacturing employees.



**45,789 FTE's**

The total employment benefit of the QLD steel industry which includes:

- **13,777** direct
- **14,916** indirect
- **17,096** induced

Figures prepared by Oxford Economics *Benefits of a Government Procurement Program for Local Steel Content*, February 2024



# A Strong Queensland Steel Industry for the Future



**A strong Queensland steel industry provides opportunities to develop:**



Economies of scale



Sovereign capability



Supply chain resilience



Advanced manufacturing capabilities



Skilled workforce



Broad economic and jobs growth

# Australian Steel Industry Contribution



Includes the two industry categories

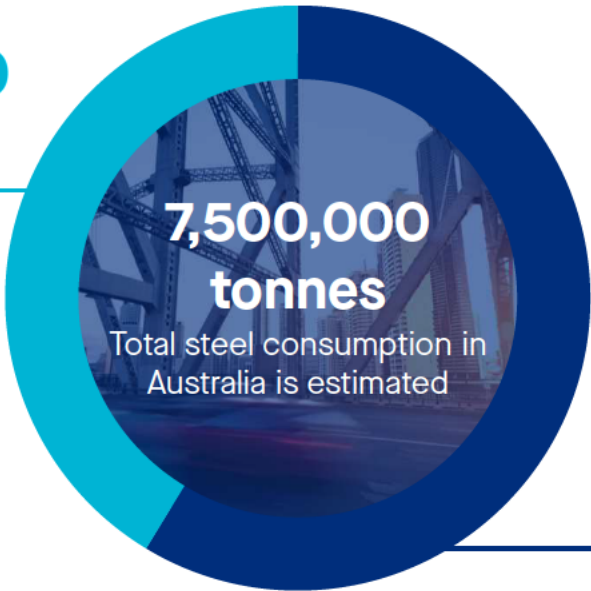


Primary metals and metal product



Fabricated metal product manufacturing

41%  
**3,100,000**  
Imported steel



59%  
**4,400,000**  
Domestic procured steel



**61,776**  
people are directly employed on a Full-Time Equivalent (FTE) basis<sup>4</sup>.



**\$100.1 Billion**  
Direct value added to Australian Economy is equal to.



**1.2%**  
The steel industry represents of Australia's total domestic product.



# Queensland Steel Demand



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## Industry Facts



**1,226K tonnes**

Current steel consumption in QLD

**810,000 tonnes (66%)**  
QLD processed steel\*

**416,000 tonnes (34%)**  
Imported steel



**213K tonnes**

Publicly funded steel use in QLD

**127,000 tonnes (59%)**  
QLD processed steel\*

**87,000 tonnes (41%)**  
Imported steel



**175K tonnes**

(70% of publicly funded steel use)  
QLD Civil engineering construction  
steel use.



Only **41%**

Of the steel used in QLD public civil  
engineering construction projects  
is sourced locally.

\* May include some imported steel materials

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Figures prepared by Oxford Economics *Benefits of a Government Procurement Program for Local Steel Content*, February 2024

# Securing the Queensland Steel Industry baseline



## Ensure Project Pipeline

The maintenance and development of the QLD steel industry's manufacturing capability and capacity is dependent upon a clear pipeline of project opportunities upon which to base investment in manufacturing assets.



## Steel Industry Decline

A decline in the QLD steel industry may affect supply chain resilience, economies of scale, and employment opportunities.



## Steel Industry Security

Securing the QLD steel industry's existing baseline of capability & capacity and skilled jobs with an appropriate local content policy may facilitate opportunities for industry growth, development of economies of scale, and the adoption of advanced manufacturing technologies.

# Oxford's Increased Local Content Modelling



BlueScope | QLD Procurement

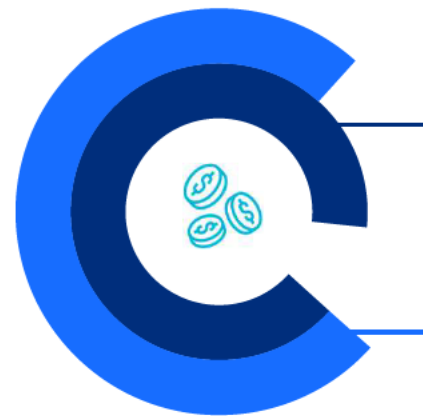
## Facts about the industry

The QLD Government currently procures 213,000 tonnes of steel per annum, representing 17.5% of the state's consumption of steel.



only **41%**

Of the steel used in QLD public civil engineering construction projects is sourced locally.



Local content QLD government public procurement policy over the next decade is projected to support

**90%**

- An additional 4,010 direct, indirect and induced FTEs.
- An additional \$2.3 Billion output.
- An additional \$1 Billion Gross Value Added (GVA).

**75%**

- An additional 1,860 direct, indirect and induced FTEs.
- An additional \$1.1 Billion output.
- An additional \$0.5 Billion Gross Value Added (GVA).

Figures prepared by Oxford Economics *Benefits of a Government Procurement Program for Local Steel Content*, February 2024



# Future Growth Opportunities

Queensland has a significant growth pipeline, with opportunities for small, medium and large steel businesses.

Over 6 years

**160,000T**

## Olympics & Infrastructure

Opportunity for small and medium businesses to supply

Now to 2040

**2,000,000T\***

## Energy Generation & Transmission

Manuf. jobs (Close to 100% imported)

Over 10 years

**30,000T**

## Housing

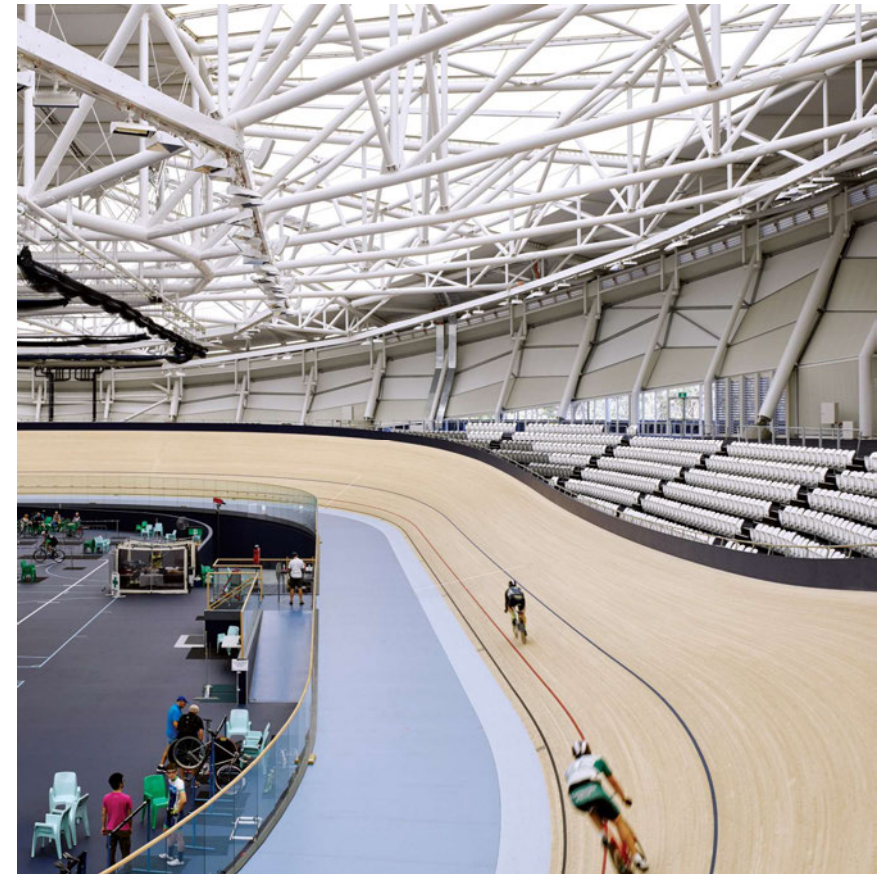
Modern methods of construction

Over 6 years

**160,000T**

## Infrastructure

Bridges, Hospitals, Schools



\* Based on QEJP 25GW by 2040 (60% wind – 80t/MW, 40% solar – 40t/MW) + 40t per transmission tower (250km p.a. – 2.5 towers per km)

# Thank You

## Contact



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