

ASI Quarterly Update

Autumn 2024

Contents:

- International steel price, cost and profitability trends	2
- ASI Initiatives	6
- Project Opportunities	9
- Manufacturing Industry Grant Funding Schemes	10
- 2024 Planner	11

Benchmark price assessments provided by [S&P Global Commodity Insights](#) 'Platts'



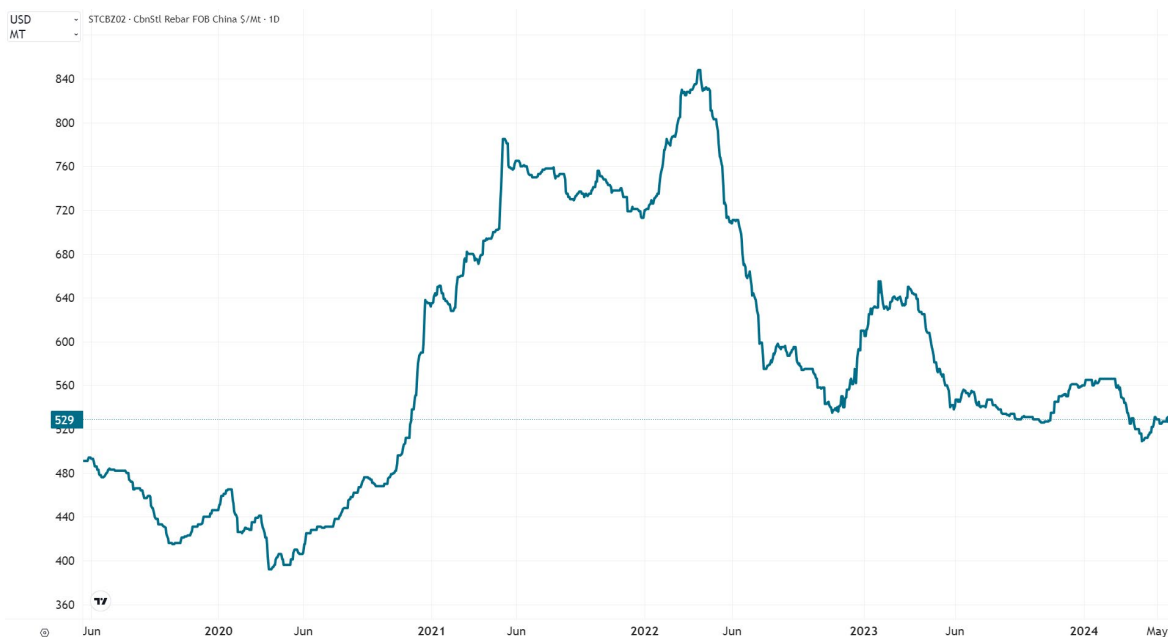
International steel price, cost and profitability trends

- Reinforcing bar price - Carbon Steel Rebar (US\$ per tonne), China FOB (export)



Source: S&P Global Commodity Insights Platts

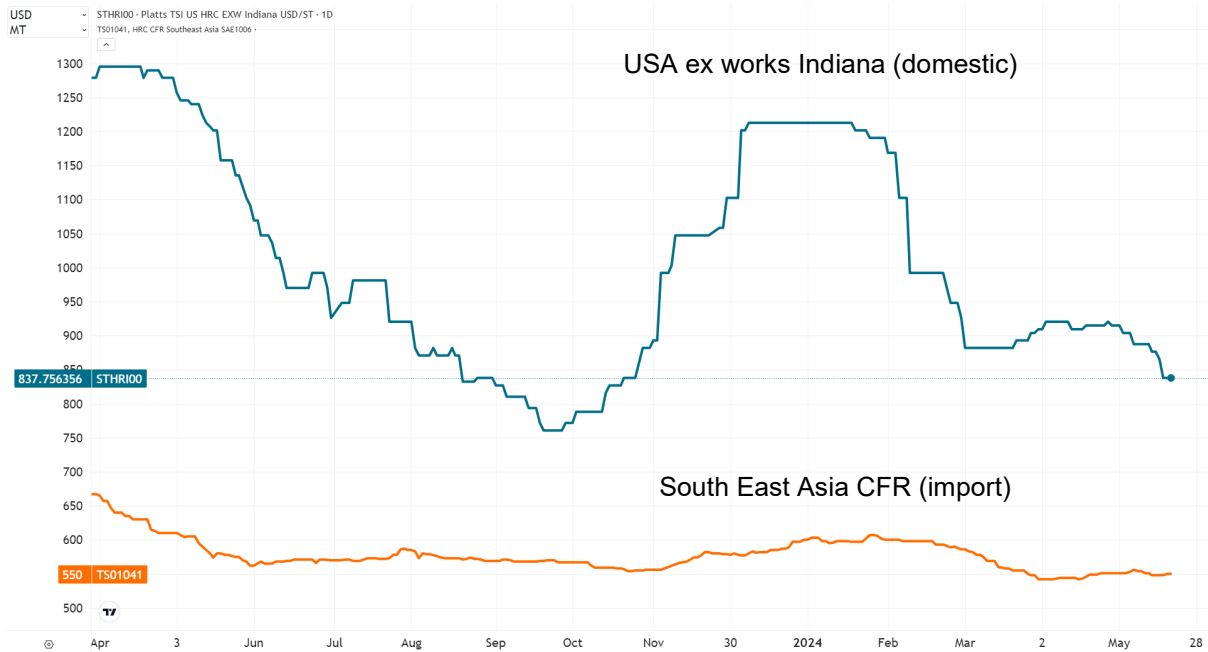
One year price history.



Source: S&P Global Commodity Insights Platts

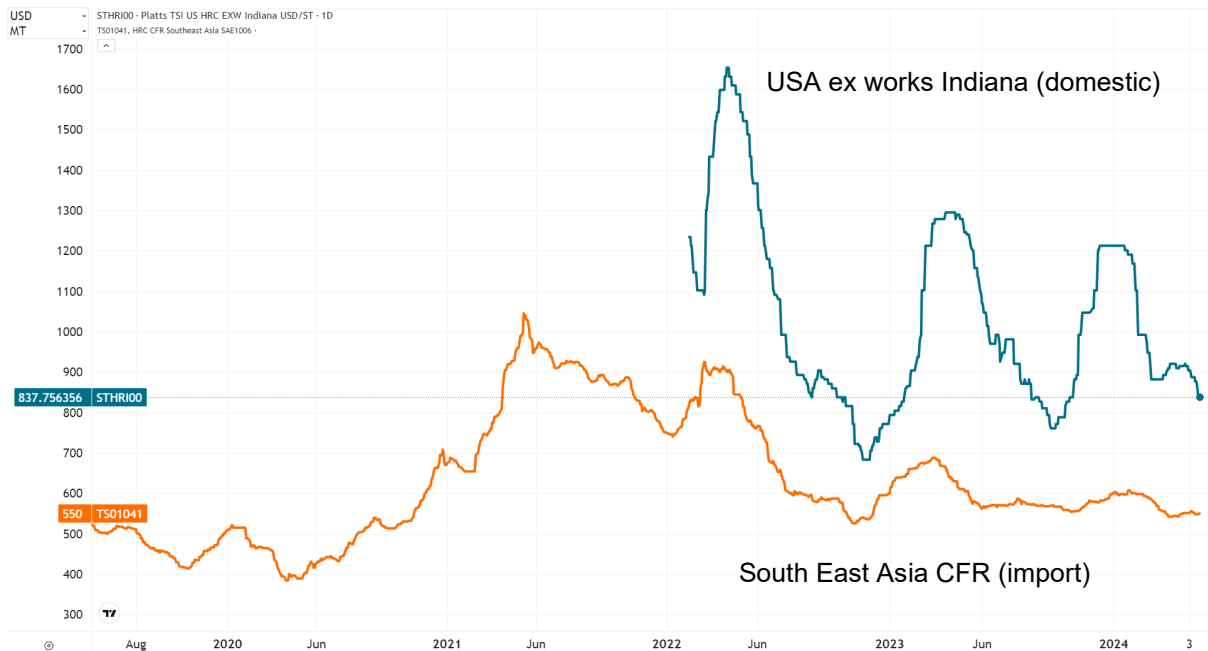
Five-year price history.

- Flat steel prices - Hot Rolled Coil (US\$ per tonne)



Source: S&P Global Commodity Insights Platts

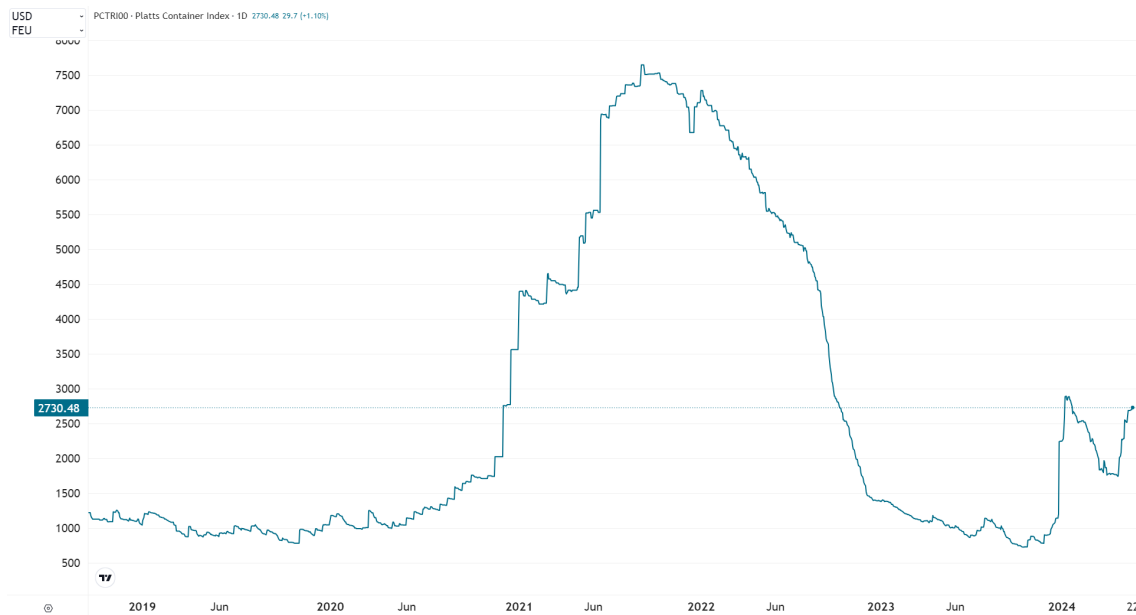
One year price history.



Source: S&P Global Commodity Insights Platts

Five-year price history.

- **International freight cost – Container Rate (US\$ per FEU) for Platts Container Index (weighted average of Platts key container assessments including Australian trade routes)**



Source: S&P Global Commodity Insights Platts

Five-year rate history.

- **China steel mill margin - Profit margin (US\$ per tonne) for domestic rebar production**

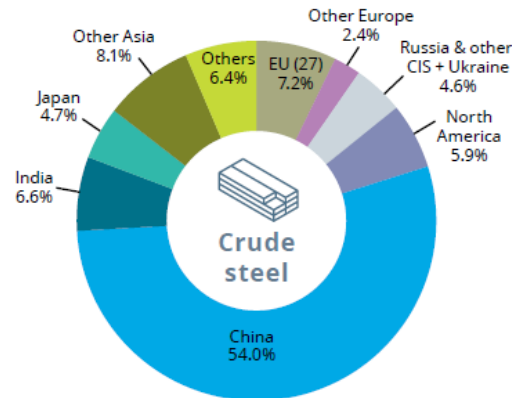


Source: S&P Global Commodity Insights Platts

One year margin history.

Focus on China market factors

- Global crude steel production in 2022 was 1,885 million tonnes



Others comprise:

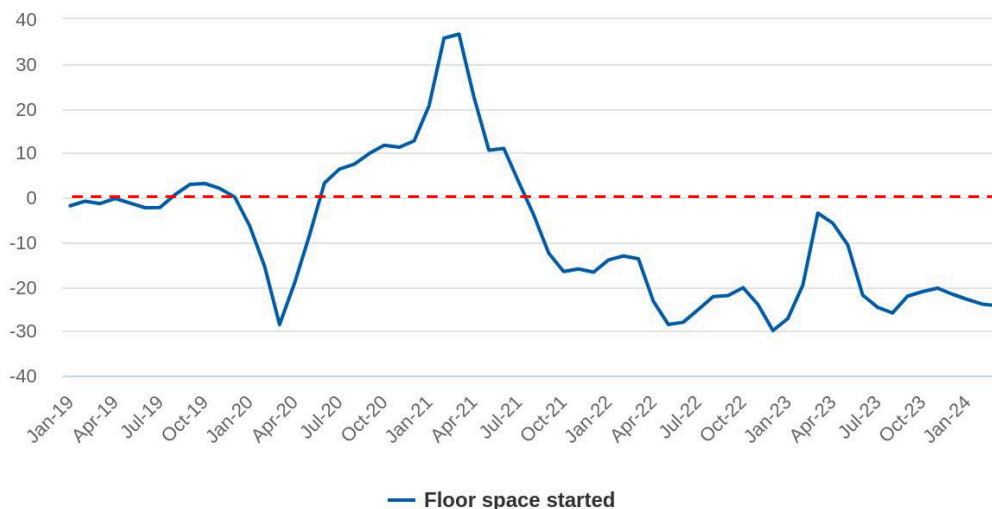
Africa	1.1%	South America	2.3%
Middle East	2.7%	Australia and New Zealand	0.3%

Source: World Steel Association – World Steel in Figures 2023.

China contributed 54% of global production. Chinese central government policy settings continue to be important to watch for potential flow-on impacts.

Residential floor space started (3 month moving average, %, y-o-y)

Source: National Bureau of Statistics of China



constructsteel.org

Constructsteel's commentary on the above chart was: *'Signs of stabilisation in the residential market continue due to government support but no significant rebound in activity expected.* Since the China property market is a significant consumer of steel products, this suggests ongoing reduced domestic demand.

ASI Initiatives

- **Steel Skills Strategic Initiatives**

Queensland

The ASI prepared a submission to the Manufacturing Skills Queensland (MSQ) Training Plan. The submission summarises ASI's education and training initiatives and calls on MSQ to support the delivery of a comprehensive training plan that addresses the evolving needs of the steel industry workforce. Please contact John Gardner johnng@steel.org.au for more information.

South Australia

ASI fabricator and manufacturing members provided enthusiastic support, including representation at the 2024 Adelaide Careers and Employment Expo, as part of a Student Pathways Hub funded by the SA Dept for Education. The Expo had approximately 8,800 students registered to visit with 700 teachers.

The ASI received great support from fabricators and manufacturers in Adelaide in the development of young trade skills via engagement with the newly constructed and opened SA Findon Technical College. These employers are providing one-day per week work experience to the students, depending on the student's home location and proximity to the business site. The technical colleges will support students in years 10 to 12 to complete their South Australian Certificate of Education while undertaking vocational education and training in specialist state-of-the-art facilities.

If you are interested in providing one-day per week work experience to the Findon Technical College students in Years 10 & 11 of Advanced Manufacturing and Engineering and/or connecting with the College, please contact Sulfianda Soeleiman sulfiandas@steel.org.au

Victoria

To promote and encourage steel skills and careers, the ASI sponsored the welding and construction metal work categories of the WorldSkills 2024 Global Skills Challenge which was held in Melbourne from 23rd to 26th May 2024. ASI's partnership agreement with WorldSkills includes this years 47th WorldSkills International Competition in Lyon, France.

The ASI in conjunction with registered training organisation (RTO) Kangan Institute have set up a Victorian Government subsidised Cert II Engineering (Roll Forming) Training Course which commenced in March 2024 for ASI Victorian Roll forming members to upskill existing employees.

If you are interested in this initiative or similar training requirements for next Calendar Year, please contact Sulfianda Soeleiman sulfiandas@steel.org.au

Western Australia

The ASI is engaging with VET teachers in order to organise “Try a Trade” events and workshop/office tours.

The ASI organised workshop tours for Engineering students from Curtin University. Members are encouraged to engage with this activity. Also, students need to accrue hands on experience and may be a valuable addition to fabricators, detailer, and consultant members via work experience.

If you are interested in this initiative or similar training requirements for next Calendar Year, please contact James England jamese@steel.org.au

- **State Government Advocacy for Local Steel Content, Sustainability, and Quality Assurance**

New South Wales

The ASI provided a submission in March to the *Inquiry into the procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales*. In the submission, the ASI provided examples of some of the issues that have occurred with the current procurement practices over recent years. These issues relate primarily to:

- Loss of significant opportunities to stimulate skilled employment, business investment, and local economic activity in NSW regions due to fabricated steelwork being imported rather than sourced locally.
- Maintenance and rectification costs in excess of 150% of the original cost of installation being incurred due to lack of in-service performance specifications being included in procurement requirements.

The ASI has subsequently been invited to give evidence at a hearing for the inquiry. For additional information on this inquiry, please contact David Varcoe davidv@steel.org.au

Queensland

The Queensland Government has advised in writing that all new vertical infrastructure projects or significant upgrades for the Brisbane 2032 Olympic Games will target six star (world leadership) Green Star for Buildings ratings from the Green Building Council of Australia. Sustainable construction materials including steel will need to be sourced across the infrastructure program to meet this commitment.

As part of this process ASI’s Sustainability team has been engaging with the Queensland government on the benefits of the ASI Steel Sustainability Australia (SSA) scheme. Please contact John Gardner johng@steel.org.au for more information.

South Australia

ASI members in SA are invited to connect with state government agencies and head contractors delivering state-funded projects at a *Meet the Buyer* event organised by the SA Office of the Industry Advocate on 2nd July, to enhance growth and collaboration within the local industry. Details: [Meet the Buyer 2024 | Industry Advocate](#).

Victoria

Successful outcomes from a series of Spark North-East Link Steel Industry Forums held in FY2023-2024, with the ASI, key steel manufacturers BlueScope and InfraBuild, and local steel fabricators, together with multinational construction consortium Spark resulting in clear visibility of steel specific requirements totalling more than 200,000 tonnes.

Continuing to engage the Victoria Government on the Local Steel Enhancement Policy implementation which has resulted in any work packages associated with strategic Victorian Government projects released for tender to clearly specify the requirements for local steel content, for example a 'minimum requirement of 90% of local steel content using locally milled and locally fabricated-processed steel'.

Western Australia

The ASI is representing members by taking part in the Advanced Manufacturing Council recently inaugurated by Minister Dawson. The Advanced Manufacturing Council is a key strategic advisory group for the consideration of initiatives to build WA's advanced manufacturing capability, capacity and competitiveness. Sustainability and traceability will be a focus area for the ASI along with boosting local capability and capacity.

The ASI is representing members in the areas of windfarm and rail wagon manufacture. Significant opportunities will arise as windfarm developments commence, there is potential for tens of thousands of tonnes of steelwork to be required, ASI is seeking to engage with OEMs via the Department of Jobs. Rail wagon manufacture is about to receive a significant boost in WA with several hundred wagons slated for local manufacture following successful lobbying by the ASI for this work to be done locally.

Project Opportunities

The following links provide reports and listings of major projects in the planning or execution stage.

Infrastructure

Australia

- [Infrastructure Australia – Infrastructure Priority List](#)
- [National Grants and Programs Major Project Status](#)
- [Industry Capability Network \(ICN\) Gateway](#)
- [Department of Industry, Science & Resources - Resources and Energy Major Projects](#)
- [Australian Mining \(commercial publication\) news on current mining projects](#)

Australian Capital Territory

- [Major Projects Canberra – Projects Pipeline](#)

New South Wales

- [Infrastructure NSW – Major Projects Infrastructure Pipeline](#)
- [Transport for NSW - Infrastructure Pipeline](#)

Northern Territory

- [Northern Territory Major Projects](#)

Queensland

- [Queensland Government Infrastructure Pipeline](#)
- [Queensland Major Projects Pipeline Report](#)
- [Queensland Government major projects assessments and approvals](#)
- [Queensland Department of Transport and Mains Roads Projects](#)
- [Construction Skills Queensland Project Search](#)

South Australia

- [Infrastructure SA](#)
- [SA Department for Infrastructure and Transport](#)

Victoria

- [ICN Victoria Projects List – April 2024](#)

Western Australia

- [WA Project Procurement Pipeline.](#)
- [WA Transport Projects](#)
- [Map of resource projects in Western Australia](#)

Manufacturing Industry Grant Funding Schemes

Australian Government

The new Commonwealth government has revised the available funding schemes, with the following links providing details on what is now available. The Australian Government has committed \$15 billion to establish the National Reconstruction Fund (NRF).

- [AusIndustry Portal Grants and Programs Finder](#)
- [National Reconstruction Fund: diversifying and transforming Australia's industry and economy](#)

New South Wales

- [Grants and funding](#)
- [NSW Climate and Energy Action](#)

Northern Territory

- [Business grants and funding](#)

Queensland

- [Business Queensland Grants](#)
- [Queensland Manufacturing Hubs Grants Program](#)

Victoria

- [Business Victoria Grants & Programs](#)

Western Australia

- [Grants Assistance and Programs Register](#)
- [Local Capability Fund](#)

2024 Planner

- **July 2024**

- **[Optimising the Specification and Use of Protective Coatings to save Time, Cost and the Environment](#)**

- In-person events (6.00 pm to 7.30 pm) sponsored by AkzoNobel to be held in Brisbane (15 July), Sydney (16 July), Melbourne (18 July), Adelaide (23 July) and Perth (24 July). AkzoNobel will explore innovative strategies to minimize environmental impact & WHS risk, maximise efficiency and achieve significant application cost savings. Insights into the latest advancements in protective coatings systems and technology will be provided and how intelligent specification can streamline processes and ultimately contribute to a healthier planet.

- **August 2024**

- **[Bolting of Steel Structures](#)**

- In-person seminar series to be presented by Peter Key in Brisbane – Monday 5 August, Sydney – Tuesday 6 August, Melbourne – Wednesday 7 August, Adelaide – Wednesday 14 August, Perth – Thursday 15 August.

- Technical Partner is Hobson Engineering. This seminar series will establish the solutions possible through pragmatic standardised connection design and explain the cost efficiencies of bolted connections. A particular focus will be on design and installation to realise this efficiency and provide safe, structurally sound designs. Significantly the seminar will also introduce and discuss the planned revisions to AS 4100 as regards bolted connection design and specification.

About the Australian Steel Institute (ASI)

The ASI is the nations peak body representing the entire steel supply chain, from the primary producers through to end users in building and construction, resources, heavy engineering and manufacturing. The ASI membership base includes approximately 6,000 individuals that are associated with more than 600 corporate memberships and over 350 individual memberships.

A not-for-profit organisation, the activities of the ASI extend to, and promote, advocacy and support, steel excellence, standards and compliance, training, events and publications. The ASI provides marketing and technical leadership to promote Australian-made steel as the preferred material to the resources, construction, and manufacturing industries, as well as policy advocacy to government.

<https://www.steel.org.au/>

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