

# PROFILE: Cyril Benjamin

## Steel Supplier Advocate

**Steel Australia recently caught up with Australian Government-appointed Steel Industry Advocate, CYRIL BENJAMIN about his industry advocacy role, where the challenges and opportunities are to be found and what he brings to the role.**

**SA: How did you come to and initially approach the new role?**

*CB:* The Australian Minister for Innovation, Industry, Science and Research, **Senator the Hon Kim Carr** announced the formation of the Steel Industry Innovation Council (Steel Council) on 30 July 2009. One of their first activities was to provide advice to the Minister on suitable candidates to be a Steel Supplier Advocate. Minister Carr announced my appointment as Steel Supplier Advocate on 20 November 2009. I was approached for the Advocate role due to my long experience in the steel industry. Most recently I have held a variety of senior executive positions in Australia, the United States and New Zealand. I am delighted to have been given the opportunity to champion the Australian steel industry in major projects. I enjoy the challenges the role brings. I'm looking for workable and pragmatic solutions to address some key steel industry challenges. My initial approach has been to meet with various people in and associated with the steel industry. I have met businesses, members of the SIIC, unions, project proponents and Industry Capability Networks (ICNs) in a number of States to hear about the current issues and opportunities for the Australian steel industry firsthand.

**SA: What are the top three issues that have been expressed to you so far?**

*CB:* Key issues arising from those meetings include increased import competition due to the high exchange rate, excess global steel making and fabricating capacity and higher costs of labour in Australia; local fabricators having relatively small market share and focussed on local work rather than bidding for major projects; and the need for collaboration between groups of fabricators to bid for large projects.

**SA: Where do basically you see the opportunities arising for future growth and preservation of our industry?**

*CB:* Australia is in a very fortunate position in the world. We have access to high quality resources, strong population growth and have continued construction demand. There are well over 600 major mining, energy and infrastructure opportunities on the radar within the next three to five years. Australian steel needs to plan well ahead to maximise the opportunities to secure a significant slice of this work. If there was one take home message, it would be for the steel industry to engage with project proponents as early as possible at the concept stage rather than at the design or execution stage. Structural steel generally holds a much greater share of the multilevel building construction market in developed countries overseas than here in Australia.

**SA: What factors do you believe explain that?**

*CB:* I understand there was an Australian study into structural steel framing for multi-storey buildings a few years ago, *Framing the Future*. So far in my discussions with local steel fabricators, many have reinforced some of the key findings and perceptions found in the study. That is concrete is seen as more reliable and consistent to estimate project costs given the volatility in steel prices in the past few years. There is also a perception that few fabricators have the

size and capability to influence a building design to be made of steel rather than concrete. We need to be included in the design phase including talking with architects. If more local steel fabricators offered a design-to-delivery service which included quality control over erection of the building, there would be a much greater chance for fabricators to pick up work in the multi-storey construction market.

**SA: To what extent do you believe a greater industry collaborative approach will help improve Australian steel's lot?**

*CB:* For major projects, Australian fabricators need to focus on projects where there is a realistic chance to compete on costs, quality of product and delivery time. Many projects are becoming larger and more complex. The industry has to offer more than just a steel structure for major projects. Companies which have the design, engineering, procurement and maintenance capabilities to integrate the piping, electrical and specialist components have a more attractive value proposition for major project proponents. By pooling capabilities, industry consortia can bid for major projects. This would dilute tendering costs, broaden market opportunities for each business and bring economies of scale.

**SA: What are some of the things ASI members should be doing more of to make their voices heard and help bolster your efforts?**

*CB:* Relationships are crucial. The Australian steel industry must be proactive in tendering for projects as well as offer an attractive value proposition which includes quality assurance and service, and not solely be reliant on providing a fabricated steel product. Project proponents are increasingly using EPCM companies who are offering fewer, but larger contracts. These contracts often ask for the electrical, piping and other products to be installed and housed within fabricated steel structures. Across the steel value chain, businesses must also look into clustering together to jointly bid for larger projects. No longer are the days where your competitor is the business down the street. More and more fabricated steel is being imported from abroad. Our industry has to be competitive on product, price, delivery time and service. The industry should consider forming alliances or 'clusters' to bring together experience, know-how and collaboration to understand and achieve World's Best Practice. This would give member companies the best possible chance to tender for and win large contracts.

**SA: How do you work in tandem with the ASI's own industry advocacy efforts?**

*CB:* I have met with the ASI several times and have regular contact over the phone. I've been invited to attend Steel Council meetings and ASI Local Content Working Group Meetings. My role complements existing ASI and steel industry advocacy efforts focused on promoting the Australian steel industry capabilities and assisting it to address current challenges. Through that role there will be better collaboration between the Australian steel industry and Government to more effectively pursue industry development, innovation and training initiatives. For instance, the Australian Government initiative, *EnterpriseConnect* has a national network of highly skilled business advisors that provide specialist expertise and business resources. Since the program started, hundreds of metal fabrication companies have used its services to improve their business management practices and to build on their core strengths.