

# Adelaide Steel Industry Forum

**In early May, the Australian Steel Institute (ASI) facilitated the Adelaide Steel Industry Forum. A highly successful event, there were over 80 people in attendance, including South Australia's new Minister for Infrastructure, Transport and Local Government the Hon Stephan Knolls MP.**

The Forum included presentations by Jon Whelan (General Manager Infrastructure Delivery, Department of Planning, Transport and Infrastructure – DPTI), Ian Nightingale (The Industry Advocate, Office of the Industry Advocate – OIA), and Tony Dixon (Chief Executive, ASI).

## Department of Planning, Transport and Infrastructure

Jon Whelan (General Manager Infrastructure Delivery, DPTI) provided an overview of the current projects under construction in South Australia, including the Torrens Road to River Torrens Project, the Darlington Upgrade Project, the Northern Connector, the Science, Technology, Engineering and Mathematics (STEM) Works Program, the Botanic High School, and the Adelaide Festival Plaza.

He went on to describe several upcoming projects, specifically focusing on the indicative quantities of steel that will be required for each. For instance, the Oaklands Crossing Grade Separation will incorporate 1,910 tonnes of reinforcing bar (incorporating Whyalla Billet) and 700 tonnes of structural steel. The Lobethal Freight and Regional Bridges Program will require 400 tonnes of reinforcing bar (incorporating Whyalla Billet) and 555 tonnes of structural steel. The North-South corridor, Regency Road to Pym Street project, was also announced on 1 May 2018.

According to Whelan, DPTI is committed to supporting a strong local steel industry by ensuring that local suppliers, fabricators and installers are given an improved ability to be involved in DPTI projects.

“DPTI has a shared commitment with the South Australian Industry Advocate. We are working as partners to implement the South

Australia Steel Initiative as well as other industry supporting ventures to benefit South Australian businesses. We are also continuing to work with the OIA and the ASI on the opportunities available to support a strong local industry and innovate towards building better infrastructure,” said Whelan.

On behalf of DPTI, Whelan encouraged local fabricators to register with Steelwork Compliance Australia (SCA) to increase their opportunities for work, particularly as DPTI requires successful tenderers to demonstrate compliance to (at least) SCA Construction Category 2.

In fact, the project tender documentation for all DPTI infrastructure projects includes a ‘standard’ clause: All reinforcement, structural steel and associated components and welding consumables shall be manufactured by companies accredited to AS 9001 which hold a valid certificate of approval issued by the Australian Certification Authority for Reinforcing and Structural Steels (ACRS). Evidence of compliance with this clause must be submitted to DPTI prior to commencement on site.

South Australia also has a steel surveillance program, established to ensure contractors working on Government projects comply with the requirements to source steel and steelwork from certified businesses. This program is administered by the ASI.

With DPTI adhering to the *Industry Advocate Act 2017*, which commits the South Australian Government to maintaining an Industry Participation Policy, local steel fabricators who can demonstrate SCA Construction Category 2 compliance are eligible to tender for DPTI contracts.

## The Office of the Industry Advocate

According to Ian Nightingale (The Industry Advocate), the objectives of the OIA are to: increase the number and diversity of locally based businesses winning work; drive local investment, create strong value chains from the State's portfolio of major projects; and support

the development of the advanced services sector and leverage the opportunities for innovation.

To this end, the *Industry Advocate Act 2017* established the Industry Advocate role as an independent statutory body with powers and functions to: advocate and promote the economic development of South Australian businesses and industries; ensure contractors meet commitments made under Industry Participation Plans; resolve complaints and improve procurement practices and processes; and encourages the adoption of Industry Participation Policies by local government.

The *Industry Advocate Act 2017* also committed the South Australian Government to maintaining an Industry Participation Policy. According to Nightingale, "The Policy recognises the important contribution businesses make to the South Australian economy through labour and other supply inputs by using a weighting system that balances the economic benefit to the State as part of a holistic value-for-money assessment."

"The Steel Procurement Policy is designed to give the local steel industry a competitive advantage against low quality imports, through mandating that reinforcing and structural steel used on projects contracted by the Government of South Australia fully meets the requirements of the relevant Australian Standards."

"A minimum 20% weighting on industry participation weighting forms part of the overall evaluation criteria when purchasing structural and reinforcing steel or steel fabrication."

Nightingale encouraged local steel businesses to register their business on the South Australian Product Register. The Register will provide a practical way for anyone working for the State Government who might be designing a building, landscaping, or undertaking an office fitout to find local manufacturers and suppliers.

For more information, visit: <https://industryadvocate.sa.gov.au>.

## The Importance of Steel in South Australia

Tony Dixon (Chief Executive, ASI) outlined the strength and viability of South Australia's steel industry. According to Dixon, "South Australia has embraced technology and skills in the structural steel area, with some of the most advanced steelwork capability in Australia. This investment has enabled productivity and cost efficiencies to improve the competitiveness of the steel value chain."

"Not only that, South Australia has the highest number of certified fabricators in Australia, with over 22 fabricators having achieved SCA certification. South Australia has always batted above its weight in steel and is generally recognised as having the highest steel intensity per capita in Australia," said Dixon.

The application of policies that recognise quality of domestic supply and the economic benefit that is generated has a strong multiplier effect in the Australian economy.

"The ASI is working in partnership with the OIA to aid productivity efficiency and skills development. We are also identifying and implementing policy settings designed to foster growth and advancement throughout South Australia's steel industry."

"Our ongoing work in promoting local capability for local projects has already delivered real change for the South Australian steel industry. In the past, approximately 95% of all mining infrastructure was imported and up to 40% of other structural steelwork was supplied from overseas. Today, this structural steelwork is predominantly locally sourced."

"Why? Because the application and promotion of a quality benchmark for projects based on Australian Standards has made importing inferior quality product less attractive. This has allowed local producers—who have invested in quality—to thrive, with the economic benefit generated flowing through the economy," said Dixon.



*"DPTI is committed to supporting a strong local steel industry by ensuring that local suppliers, fabricators and installers are given an improved ability to be involved in DPTI projects."*

L to R: Jon Whelan (General Manager Infrastructure Delivery, Department of Planning, Transport and Infrastructure – DPTI) and Tony Dixon (Chief Executive, ASI).