

# ASI Quarterly Update

Spring 2022

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## International steel price, cost and profitability trends

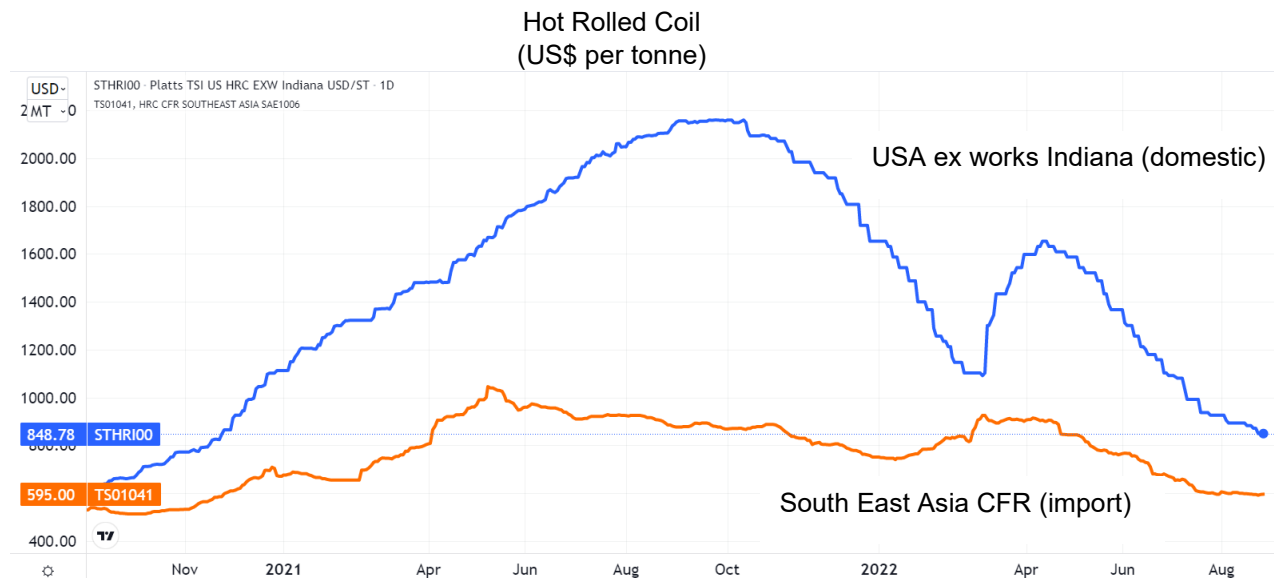
- Reinforcing bar price



Source: Platts

This series demonstrates a significant drop in price from the April 2022 peak.

- Flat steel prices



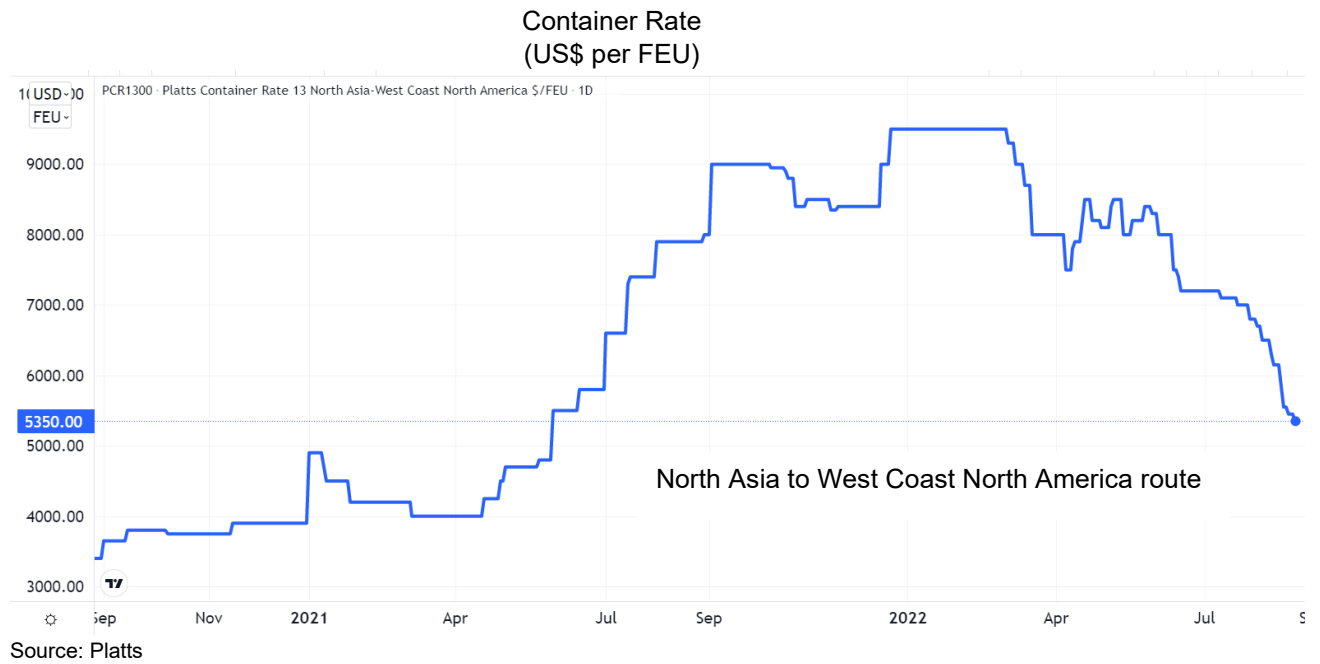
Source: Platts

Both series demonstrate a major reduction from the highs reached during 2021.

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

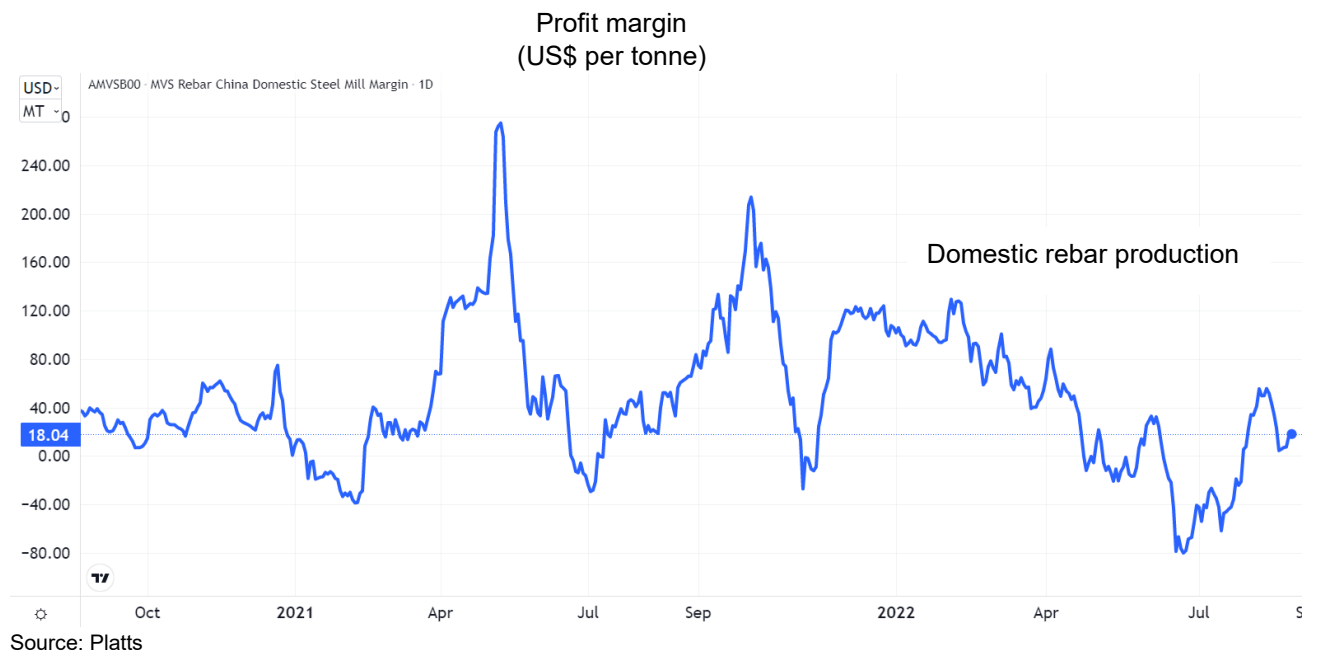
**S&P Global**  
Commodity Insights

- **International freight cost**



While still elevated compared to pre-pandemic rates, this series demonstrates a significant drop in container freight cost relative to the early 2022 peak.

- **China steel mill margin**



After several recent months of zero or negative profit margin, this series demonstrates a return to positive margins for China rebar production.

## ASI Initiatives

- **Hunter Clean Manufacturing Precinct proposal**

After being short-listed in an expression of interest process conducted in 2021, an ASI-led consortium of steel producers, technology companies, and professional service providers was invited to submit a tender for funding under the NSW Government Net Zero Industry [Clean Manufacturing Precincts](#) initiative. This initiative provides funding for investigation and development of decarbonisation opportunities for co-located heavy industrial businesses.

The comprehensive Decarbonisation Roadmap tender proposal prepared by GHD was submitted to the Office of Energy and Climate Change (NSW Treasury) for consideration on 7<sup>th</sup> July. Consortium participants include ASI members Bekaert-Bridon Ropes Group, GHD, InfraBuild, Milltech Martin Bright, Molycop, Signode, and Veolia along with BOC, Koppers, MGA Thermal, and Toshiba. No date has been advised for announcement of the winning tender.

- **NSW Industry Policy submission and consultation**

In response to an invitation from Investment NSW, the ASI made a submission as part of the *Securing future innovation and global competitiveness in NSW* Green Paper consultation process held in June. ASI Chief Executive Mark Cain was subsequently invited to attend a series of NSW Industry Symposium Roundtables held in mid-August, which are designed to inform the NSW Industry Policy White Paper. This is due for release in late 2022 and will inform industry policy over the next 15 years.

- **Victoria Local Jobs First Policy developments**

As a response to developing needs and opportunities to enhance more optimal local steel supply outcomes for Victorian Government major projects under the Local Jobs First Policy, the ASI working with the Local Jobs First Commissioner set up a Victorian steel manufacturers working group during first half 2021.

The working group members include representatives from local steel producers, fabricators, the AWU and AMWU, the Local Jobs First Commissioner and representatives from DJPR. During 2022, it was identified that a number of policy enhancements were needed in order to achieve the governments goals of expanding market opportunities for steel, jobs for local industry and encourage innovation and investment. In August 2022 the Victorian Government released [Steel Policy Enhancements](#) to Government Procurement to further bolster the Local Jobs First Policy.

- **Introducing Steel Sustainability Australia**

The ASI is working closely with the Green Building Council (GBCA) to transition the longstanding Environmental Sustainability Charter (ESC) scheme to align with the introduction of the new Green Star Buildings (Responsible Products Framework) initiative. This initiative provides for a more wholistic view of sustainability and will consider aspects such as Modern Slavery, ethical work practices, hazardous chemicals, decarbonisation, etc. whilst retaining all the current environmental sustainability elements. In recognition of the increased breadth of the new scheme, the ESC will be rebranded as [Steel Sustainability Australia](#) (SSA) over coming months.

A key element of the new SSA scheme is the recognition of the importance of sourcing steel from producers with a commitment to decarbonising their manufacturing process. After extensive consultation with the GBCA, an in-principle agreement has been reached for defining steel supply requirements.

- **JAS-ANZ accreditation of Steelwork Compliance Australia**

The [Steelwork Compliance Australia](#) (SCA) scheme was set up by the ASI in order to provide quality compliance certification for the supply, fabrication and erection of structural steelwork to be used in Australia, with particular reference to the requirements detailed in AS/NZS 5131. Since its creation, SCA has grown steadily each year and now has well over 100 accredited steel fabricators nationally.

The role of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) is to accredit the organisations that provide certification services. SCA is operated on an arms-length basis from the ASI, and important an aspect of the credibility of SCA certification is the formal recognition and accreditation by JAS-ANZ. As might be expected, JAS-ANZ accreditation is a rigorous process, which has taken several years to complete.

- **Local content mandates proposed for NSW Electricity Infrastructure development**

The Australian Energy Market Operator (AEMO) as consumer trustee for the NSW Electricity Infrastructure Act, recently released the [Renewable Energy Zones](#) draft tender guidelines which include local content mandates. This is a significant development which the ASI is proud to have advocated strongly for, through participation in the NSW Renewable Energy Sector Board.

Local content used in the development, construction and operation of NSW electrical infrastructure is great for everybody because it means jobs and investment. However, to ensure jobs are sustainable into the future, local content mandates must be appropriate for the maturity of the supply chain.

## Project Opportunities

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

### Infrastructure

- [Infrastructure Australia – Infrastructure Priority List](#)
- [Infrastructure NSW – Major Projects Infrastructure Pipeline](#)
- [Transport for NSW - Infrastructure Pipeline](#)
- [Major Projects Canberra – Projects Pipeline](#)

### Mining and Resources

- [Commonwealth Department of Industry, Science, Energy & Resources - Resources and Energy Major Projects 2021](#)

## Manufacturing Industry Grant Funding Schemes

### Australian Government

A number of the Commonwealth programs are currently under review or suspended from taking further submissions whilst the new government determines priority areas for funding.

- [AusIndustry Portal Grants and Programs Finder](#)
- [Modern Manufacturing Strategy](#)

### NSW

- [Industry Assistant Grant Programs](#)
- [Reducing Emissions for NSW](#)

## 2022 Planner

- August
  - 12<sup>th</sup> [Australian Steel Excellence Awards 2022](#) closing date
  - 24<sup>th</sup> [Corrosion Prevention of Steel Products webinar](#) available
- September
- October
  - 5<sup>th</sup> [Heavy Crane Runway Girders webinar](#) available
  - 9<sup>th</sup> to 12<sup>th</sup> [Australian Steel Convention](#)
- November
  - National Australian Steel Excellence Awards - Gala Dinner (date TBA)
  - ASI Annual General Meeting (date TBA)
- December

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### 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 500 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.

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