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# THE STEEL INDUSTRY: PROVING AUSTRALIA'S METTLE

Steel occupies a strategically essential role in Australia's sovereign production capabilities, particularly in the wake of the COVID-19 pandemic which has caused unprecedented global uncertainty in supply chains. It is a critical input in many areas of Australia's society and economy, from defence and mining, through to construction and manufacturing. All of these essential downstream and related industries rely on steel to function.

## MAINSTAY OF THE ECONOMY

Australian-made steel has a positive impact on the national economy and society, through its contribution to employment, investment, taxation revenue and Australia's trade balance, to give a few examples.

Procurement of locally produced and fabricated steel creates employment for up to six workers in related industries for every worker within the steel industry, delivering dividends across the economy. Whole-of-life costs are a significant advantage of local procurement compared with imported steel, with products produced and certified to Australian standards supported by warranties and with superior environmental performance.

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Australia's primary steel producers and steel product manufacturers together form a strategically important value chain that has the capability to supply in excess of 90% of the steel grades and qualities required in this country.

Given this capability, it is little wonder that Australian steel is playing a leading role in the historic \$270bn defence industry expenditure announced by the Australian Government in the *2020 Defence Strategic Update and 2020 Force Structure Plan*.

## STEEL IN DEFENCE

BISALLOY® Armour steel was developed to meet the protection levels required for the Boxer Combat Reconnaissance Vehicle (CRV) and was tested and certified by the German government in collaboration

with Rheinmetall Defence Australia (RDA). It will be used for Rheinmetall's Australian-built Boxer CRV in the LAND 400 Phase 2 program.

As Australia's only manufacturer of armour and protection grade steels, BISALLOY has a long history of collaboration with the Australian Defence Force. Originally developed in the 1980s for use in the hulls of the Royal Australian Navy's frigates, BISALLOY has since been used in many domestic Defence projects, including the Collins-class submarine, Bushmaster and Hawkei vehicles.

BlueScope will deliver more than 1500 tons of steel plate to ASC for the Hunter-class frigate program. The steel plate will be used to construct five ship blocks in the prototyping phase of the program. The blocks will then test processes, systems, tools, and facilities prior to construction commencing on the first of nine frigates by the end of 2022.

In late 2020, RDA opened its Military Vehicle Centre of Excellence (MILVEHCOE) in Redbank, Queensland. This facility has established a new



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national sovereign military vehicle capability that enables the design, development and local manufacture and fabrication of military vehicles.

RDA is delivering 211 Boxer vehicles to the Australian Army under Land 400 Phase 2. The company is also delivering

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more than 2500 protected high mobility trucks to the army under the Land 121 Phase 3B program, as well as 1000 trucks under the Land 121 Phase 3B/5B program.

### FABRICATOR FOOTPRINT

Precision Metal Group (PMG) is working with RDA, undertaking welding on components for armoured defence vehicles under Land 400 Phase 2. PMG is working with German group, Probatec AG, for the manufacture of seating for military vehicles, including the Boxer CRV.

Milspec is one of the premier Australian defence SMEs supplying componentry for sub-systems, alternators and portable power to the defence industry. For instance, Milspec has worked with RDA since 2015, providing installation kits to accommodate the communication equipment used by the army.

In 2018, Luerssen Australia awarded

Civmec the contract for the navy's SEA 1180 Offshore Patrol Vessel program. The project includes the supply and processing of steel for 12 vessels. Following the build of the first two vessels in South Australia, Civmec is undertaking the fabrication and consolidation of the following 10 vessels at its new, world-class assembly hall in Henderson, Western Australia.

Steel is a vital and sustainable source of innovation, skilled employment and technical capability in our cities and our regional communities. In recognition of the strategic importance of these local manufacturers and the local steel industry, every effort needs to be made to ensure that domestic manufacturing capabilities are not only retained, but expanded. Looking to the future, Australia needs a large and diverse traditional manufacturing base in order to nurture and support new and emerging industries, including the defence sector. ■