



AUSTRALIAN STEEL INSTITUTE

Submission to the Queensland Productivity Commission's (QPCs) Interim Report on Opportunities to Improve Productivity of the Construction Industry.

This submission by the Australian Steel Institute (www.steel.org.au) outlines how simplifying the Queensland Government's Procurement Policy by incorporating the National Structural Steelwork Compliance Scheme (NSSCS) in building and construction projects can significantly enhance productivity across the construction sector. Fabricated structural steelwork is a critical input in residential, commercial, and infrastructure construction.

Background. The National Structural Steelwork Compliance Scheme (NSSCS) is an Australian industry led **quality and compliance framework** developed by the Australian Steel Institute (ASI) to ensure that fabricated structural steelwork used in construction projects meets the required Australian Standards. It was introduced in response to growing concerns about the safety, quality, and compliance of structural steelwork particularly with the increasing use of imported fabricated steelwork that may not conform to Australian standards and the National Construction Code (NCC).

Section 5.2 Preliminary findings of the QPC interim report notes the case for simplifying the **Queensland Government's procurement policies towards a focus on value for money, whole of life costs and quality**. This submission seeks to demonstrate how the NSSCS can achieve this aim in building and construction projects.

The Role of the National Structural Steelwork Compliance Scheme (NSSCS)

1. Assisting Value for Money

Value for money in public and private projects is not just about the lowest upfront price it's about delivering safe, compliant structures that perform as intended. The NSSCS assists by:

- **Reducing risk of disputes and rectification:** Fabricators certified under the scheme are independently audited to ensure their systems, processes, and staff qualifications meet the requirements of *AS/NZS 5131 Structural steelwork – Fabrication and erection*. This reduces the likelihood of costly mistakes, rework, and legal disputes.

- **Providing assurance at tender stage:** Certification gives project owners and contractors confidence that the quoted price reflects compliant work, not a “cheap price, high risk” offer that will generate hidden costs later. Certification costs are absorbed by steel fabricators as part of doing business and not passed on as a line item to projects.
- **Streamlining procurement:** Instead of project teams carrying out detailed audits of every tenderer, NSSCS certification serves as a recognised prequalification, saving time and cost in the procurement process.
- **Improving steel fabricator productivity.** For fabricators, certification is not just about compliance, it is about becoming more efficient, competitive, and productive. It helps them deliver jobs right the first time, win more work, and grow their business with confidence. As noted by Kevin Johnson, Managing Director of Queensland based steel fabricator Central Engineering *“Undergoing CC2 certification in accordance with AS/NZS 5131 has resulted in many tangible benefits for Central Engineering. Given we already had fairly extensive documented quality control procedures and systems in place before we started our CC2 certification process, it was easy to believe there would be little benefit. That has proven not to be the case for Central Engineering. Obtaining CC2 certification is one of the best decisions we have made. **We are completing our work with less risk, greater quality, more efficiently, with less frustration, with happier customers and meeting our budgets more often. Great outcome.**”*

2. Minimising Whole-of-Life Costs

Projects built with non-compliant fabricated steelwork often require expensive rectification, early maintenance, or premature replacement. Certification to the NSSCS minimises these lifecycle costs by:

- **Ensuring durability:** Certified fabricators apply the correct welding procedures, coatings including paint and galvanizing to AS/NZS 1554 and AS/NZS 2312. This improves the long-term performance of steelwork, especially in Queensland’s demanding climatic zones.
- **Maintaining traceability:** Materials must be traceable back to certified mill sources and verified to Australian Standards. This ensures that the steel’s mechanical and chemical properties are fit for long-term structural performance.
- **Preventing premature failure:** By embedding quality assurance at the fabrication stage, the NSSCS reduces the risk of cracking welds, corroding coatings, or understrength members that shorten asset life and inflate maintenance budgets.

3. Ensuring Quality in Construction Projects

Quality is the foundation of structural safety and compliance. The NSSCS ensures this by:

- **Mandating independent auditing:** Fabricators are regularly audited by Steelwork Compliance Australia (SCA) which is accredited by JAS-ANZ, against the full scope of AS/NZS 5131. This independent oversight provides confidence that quality systems are not just written but are actually being implemented. SCA certifies steelwork fabricators via the audit process to Construction Categories (CC2, CC3) referenced in AS/NZS 5131. This provides project proponents the opportunity to select adequately certified fabricators to the Construction Category specified by the projects engineer. The SCA website (<https://www.scacompliance.com.au/>) clearly lists certification levels of fabricators ensuring project proponents can be confident of the currency of their certifications.
- **Competency and training:** Certification requires qualified personnel (welders, supervisors, inspectors) who are trained to Australian Standards. This avoids the risks of relying on unverified local and offshore qualifications.
- **Documented compliance:** NSSCS certified fabricators provide Inspection and Test Plans (ITPs), Material Data Records (MDRs), and quality plans aligned with AS/NZS 5131. This documentation ensures accountability and provides an audit trail if issues arise.
- **Alignment with the National Construction Code:** Because AS/NZS 5131 is referenced by AS 4100 and the NCC, NSSCS certified fabricators provide a direct pathway to demonstrating compliance with statutory requirements.

Conclusion

The National Structural Steelwork Compliance Scheme (NSSCS) strengthens the integrity of building and construction projects by embedding certification, traceability, and accountability into the supply chain.

- For **procurement officers**, it simplifies tender evaluation and ensures bids represent genuine value for money.
- For **asset owners**, it minimises whole-of-life costs by reducing maintenance, rectification, and risk of early failure.
- For **the community**, it guarantees the quality and safety of the structures they rely on every day.

In short, the NSSCS turns compliance into a proactive tool for delivering better projects ***built right the first time, with long-term value assured to provide true value for money.***

Further Reading and Resources:

- ***NSSCS for Clients and Government*** - <https://www.steel.org.au/what-we-do/focus-areas/quality-and-compliance/nsscs-for-clients-and-government/>
- ***AS/NZS 5131: Structural Steelwork - Fabrication and Erection***
- ***Australian Steel Industry Capability and Capacity***
available at <https://www.steel.org.au/about-us/our-industry/australian-steel-industry-capability-and-capacity/>
- ***Steelwork Compliance Australia*** - <https://www.scacompliance.com.au/>

Appendix: Good Practice Steelwork Procurement – Recommended Contract Wording

GOOD PRACTICE STEELWORK PROCUREMENT

Recommended contract wording



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Context

This document has been prepared to assist procurers of structural steelwork to protect against non-compliant processes and non-conforming product.

ASI has prepared a suite of supporting material, including:

- ◆ AS/NZS 5131 'Structural steelwork – Fabrication and erection'
- ◆ 'National Structural Steelwork Specification' (NSSS) and 'Standard Drawing Notes': download free in Word or PDF at steel.org.au/key-issues/compliance/national-structural-steelwork-specification/
- ◆ National Structural Steelwork Compliance Scheme (NSSCS): see steel.org.au/key-issues/compliance/asi-in-compliance/
- ◆ Fabricator certification to one of the 'Construction Categories' CC1 to CC4 in AS/NZS 5131. Fabricator certification is undertaken by the separate company Steelwork Compliance Australia (SCA): see www.scacompliance.com.au/

The Australian Standard AS/NZS 5131 should be called up in project specifications and contract documentation for all projects involving structural steelwork in Australia.

ASI has created the NSSCS to address the need for a robust, cost-effective and responsive third-party solution for ascertaining compliance of structural steelwork. For projects where risk of failure of the structural steel component must be avoided, the ASI recommends **those stakeholders responsible for procurement of structural steelwork MUST specify third-party certified fabricated steelwork to the NSSCS to satisfy duty of care.** A fundamental component of the NSSCS is the use of fabricators who have been certified to one of the Construction Categories defined in AS/NZS 5131.

Recommended contract wording

"All fabricated structural steelwork specified for this project must comply with Australian Standard AS/NZS 5131 Structural Steelwork - Fabrication and Erection. The project documentation must also nominate the appropriate Construction Category(s) in accordance with AS/NZS 5131.

All structural steelwork must be fabricated by fabricators certified under the ASI National Structural Steelwork Compliance Scheme (NSSCS) (see www.scacompliance.com.au) operated by Steelwork Compliance Australia (SCA) for the Construction Category(s) defined in the project specification.

All tenderers (fabricators) must have documented current evidence of having fulfilled 'Stage 1' of the SCA certification process, including a gap analysis of the necessary actions to meet the required Construction Category. The successful fabricator(s) must submit documentary evidence of current full certification to the relevant Construction Category before work commences on the project. The certification must be maintained for the duration of the project."

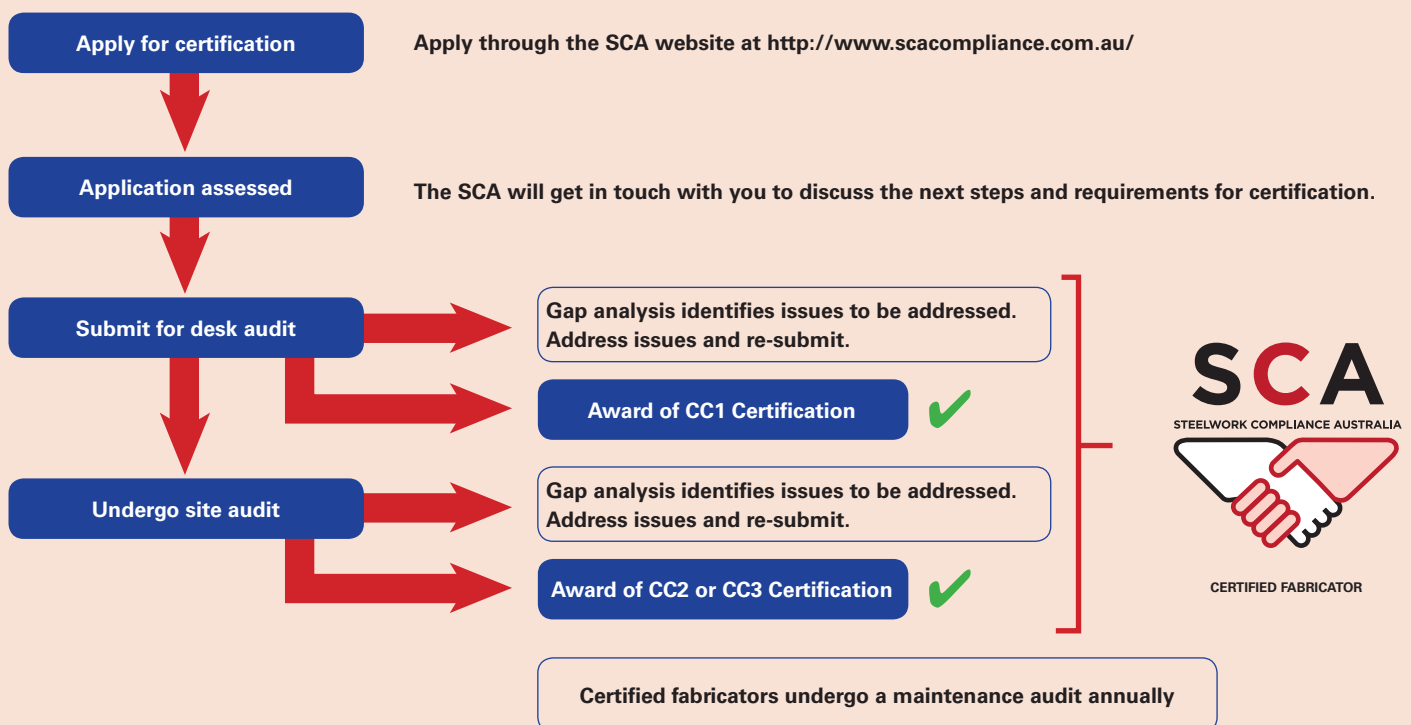
Further background and basis for the recommended contract wording is provided on the following page.

Responsible project procurement

In practice, the engineer specifies the Construction Category or Categories for the steelwork structure on the engineering drawings or in the project specification. The stakeholder responsible for procuring or building the structure will then ensure that fabricators certified to the appropriate Construction Category are used on the project.

A significant and growing number of fabricators have been certified by SCA under the NSSCS. Fabricator certification status can be freely checked at www.scacompliance.com.au/certified-companies/

The process for certification of fabricators is staged, as indicated below, providing ample flexibility for incorporating certification of fabricators into the project schedule.



The recommended contract wording recognises that there will be a period of time after the recent introduction of AS/NZS 5131 where the range of fabricators certified under the NSSCS is less than some stakeholders may ideally require. The recommended contract wording provides flexibility to meet project schedule and requirements, allowing project procurers wanting preferred fabricators or a larger pool of fabricators to support competitive tenders for a project.

Stage 1 of the certification process is a desktop audit only and should be straightforward and quick for quality fabricators to action. Typically, Stage 1 should be complete within two weeks of the fabricator registering a commitment to proceed. Importantly, Stage 1 provides the information necessary for SCA to undertake a gap analysis against requirements for CC2 or CC3 certification, which will help inform tender assessment.

Go to steel.org.au/key-issues/compliance to get the full compliance story and download our free tools!

You may also like to review the information leaflets:

- ◆ 'Good practice steelwork procurement' from steel.org.au/key-issues/compliance/nsscs-for-clients-and-government/
- ◆ 'Good practice steelwork procurement. Guidance for building surveyors' from www.steel.org.au/key-issues/compliance/nsscs-for-building-certifiers