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**APPLICATION
FOR
DUMPING DUTIES
CERTAIN UTILITY SCALE WIND TOWERS
EXPORTED FROM
THE PEOPLE'S REPUBLIC OF CHINA
AND
THE REPUBLIC OF KOREA**

August 2013

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AUSTRALIAN ANTI-DUMPING COMMISSION

**Application for Dumping and
Countervailing Duties**

DECLARATION

I request in accordance with Section 269TB of the *Customs Act 1901* that the Minister publish in respect of goods the subject of this application:

- ☒ a dumping duty notice, or
- ☐ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature:.....

Name: Arthur Vlahonasios

Position: International Trade Remedies Advisor

Company: Australian Industry Group

ABN: 76 369 958 788

Date: 5 / 8 / 2013

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Customs Dumping Liaison Unit on:

 **(02) 6275-6066** Fax **(02) 6275-6990**

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A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

This application is made on behalf of the Australian industry manufacturing certain utility scale wind towers. In the nominated investigation period, eighteen months, commencing January 2012, the industry comprised three Australian manufacturers, namely:

- A.C.N. 009 483 694 Pty. Ltd. trading as Haywards (**Haywards**);
- Keppel Prince Engineering Pty Ltd trading as Keppel Prince (**Keppel Prince**); and
- RPG Aus Administration Pty Ltd (**RPG**).

The Australian industry nominates a longer investigation period of 18 months commencing January 2012 on the basis of the intermittent project nature of this market, together with the long lead times from the placement of the order; being the time injury is suffered by the Australian industry; and the physical delivery of the imported goods.

On 4 February 2013, RPG Holdings Pty Ltd (In Liquidation) and its controlled entities, which included RPG Aus Administration Pty Ltd, were wound up. As a result, the two surviving Australian manufacturers are parties to this application. As much of RPG's financial information as is available has been presented for the injury analysis period in support of this application. Relevant contacts within each organisation are as follows:

Company	Contact Person	Address	Phone	Fax	Website / Email
A.C.N. 009 483 694 PTY. LTD. Trading as Haywards	Steve Edmunds	1 Boral Road, Western Junction, Tasmania	03 6391 8508	03 6391 8612	W: www.haywards-steel.com E: sedmunds@haywards-steel.com
Keppel Prince Engineering Pty Ltd trading as Keppel Prince	Stephen Garner	184 Darts Road, Portland Victoria	03 5523 8888	03 5523 8890	W: www.keppelprince.com.au E: steve.garner@keppelprince.com.au
RPG Aus Administration Pty Ltd (In Liquidation)	Peter Gothard	Level 13, 225 George Street, Sydney NSW	02 9286 9950	02 9286 9888	W: http://www.ferrierhodgson.com/en/Current%20Matters/Corporate%20Recovery%20Matters/RPG%20Group.aspx E: peter.gothard@fh.com.au

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

The applicant industry has appointed a representative to assist with this application. Contact details of this representative are as follows:

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Name:	Arthur Vlahonasios
Representative's business name:	International Trade Remedies Advisor, Australian Industry Group
Address:	20 Queens Road, MELBOURNE VIC 3004
Telephone:	03 9867 0267
E-mail address:	arthur.vlahonasios@aigroup.asn.au
ABN:	76 369 958 788

A-2 Company information.

1. **State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

The names of the companies seeking anti-dumping measures are as follows:

Legal Entity	ABN/ACN	Entity type	Trading names
A.C.N. 009 483 694 Pty. Ltd.	ABN 88 009 483 694	Company	Haywards Steel Fabrication & Construction; and Crisp Bros. Structural Steel & Metal Work
Keppel Prince Engineering Pty. Ltd.	ABN 62 004 727 619	Company	Keppel Prince

A member of the Australian industry during the nominated investigation period, which no longer has the legal capacity to seek anti-dumping measures is:

RPG Aus Administration Pty. Ltd. (In Liquidation)	ACN 119 261 344	A company under external administration	RPG Australia
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Although there are public reports to suggest the existence of an additional Australian manufacturer, known as E&A Contractors Pty Ltd (ABN 46 126 470 942) (**E&A**), the applicants to this application are unaware of any completed units of production by that entity during the nominated investigation period. As a prospective member of the Australian industry producing utility scale wind towers, at the time of this application E&A has expressed support for this application.

2. **Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.**

Legal Entity	Trading names	Confidential Attachment
A.C.N. 009 483 694 Pty. Ltd.	Haywards	A-2.2.1
Keppel Prince Engineering Pty. Ltd.	Keppel Prince	A-2.2.2

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RPG Aus Administration Pty. Ltd. (In Liquidation)	RPG Australia	Under external administration
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A.C.N. 009 483 694 Pty. Ltd.

A.C.N. 009 483 694 Pty. Ltd. is a private company with no subsidiaries or affiliated companies and trades under two business names:

- Haywards Steel Fabrication & Construction (Haywards); and
- Crisp Bros. Structural Steel & Metal Work.

The company comprises four workshops located across Tasmania – King Meadows, Wynyard, Western Junction, and Hobart. Each workshop is involved in various steel fabrication projects. However, the goods the subject of this application are manufactured at its Western Junction workshop.

Projects manufactured at the Kings Meadows workshop are traded under “*Crisp Bros. Structural Steel & Metal Work*”. All other workshops trade under “*Haywards Steel Fabrication and Construction*”. This includes the goods of the subject of the application, which are manufactured at the Haywards Western Junction workshop under the business name, *Haywards*.

Each workshop has its own team that consists of a Workshop Manager or Manager, Site Supervisors, Workshop Foremen, surface treatment team, Boilermakers/Welders and other steel fabrication roles. There is also a separate administration and leadership team that is responsible for general administration and operations management of the company.

Keppel Prince Engineering Pty. Ltd.

Keppel Prince is comprised of [redacted] [number] business divisions, of which the Darts Road division is responsible for the production and sales of the goods the subject of the application (Division 4 on the chart reproduced at Confidential Attachment A-2.2.2).

When required, the “Administration”, “Cranes” and “Quality & NDT” divisions provide their services toward the manufacture of utility scale wind towers, including:

- “Administration” – activities related to utility scale wind towers that are carried out by the office administration and Senior Management Teams;
- “Cranes” – transportation of the goods around the premises; and
- “Quality & NDT” – conducting quality control assessments on the goods.

The remaining divisions that have not been listed above are responsible for other projects undertaken by the company, general administration and other company-related activities.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

A.C.N. 009 483 694 Pty. Ltd.

A.C.N. 009 483 694 Pty. Ltd.’s major shareholders comprise:

[redacted] [shareholders’ names and % holdings]

Keppel Prince Engineering Pty. Ltd.

Keppel Prince is 100% owned by its parent company, [redacted] [parent company], which forms the engineering arm of [redacted] [holding company]. The major shareholder of [redacted] [holding company] is [redacted] [ultimate holding company] who owns [redacted] %.

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4. If your company is a subsidiary of another company list the major shareholders of that company.

Please refer to Annual Reports for each of the applicant companies, where details of major shareholdings are disclosed for the listed parent entity.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Please refer to responses to Questions A-2.3 and A-2.4 above.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Please refer to responses to Questions A-2.3 and A-2.4 above.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

Any management fees/corporate allocations charged to the applicant companies by their parent or related companies are disclosed in each of the companies' respective **Confidential Appendix A6.1** data.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

The applicants have no relationship with the manufacturers or exporters to Australia of the goods the subject of this application. The applicants have previously supplied like goods produced in Australia to the Australian importers of the goods the subject of this application.

9. Provide a copy of all annual reports applicable to the data supplied in Appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Legal Entity	Trading names	Confidential Attachment
A.C.N. 009 483 694 Pty. Ltd.	Haywards	A-2.9.1
Keppel Prince Engineering Pty. Ltd.	Keppel Prince	A-2.9.2
RPG Aus Administration Pty. Ltd. (In liquidation)	RPG Australia	A-2.9.3

10. Provide details of any relevant industry association.

Each of the applicant companies are members of:

- the Australian Industry Group;
- the Australian Steel Institute; and
- the Australian Wind Towers Manufacturing Alliance.

A-3 The imported and locally produced goods.

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.

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- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**

The goods the subject of this application

The goods the subject of this application are certain utility scale wind towers, whether or not tapered, and sections thereof (whether exported assembled or unassembled), and whether or not including an embed being a tower foundation section. Certain wind towers are designed to support the nacelle (an enclosure for an engine) and rotor blades for use in wind turbines that have electrical power generation capacities equal to or in excess of 1.00 megawatt (MW) and with a minimum height of 50 metres measured from the base of the tower to the bottom of the nacelle (i.e. whether the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment or method of manufacture, and with or without flanges, doors, or internal or external components (e.g., flooring/decking, ladders, lifts, electrical junction boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof (whether exported assembled or unassembled) are included within the scope of the goods the subject of this application whether or not they are joined with non-subject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject goods, or include an embed, being a tower foundation section.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof.

Physical properties of utility scale wind towers

Although wind towers are made to the purchasers' specifications on a project-by-project basis, all wind towers are large tubular steel towers that support *wind turbine* nacelles. *Wind turbines* convert the mechanical energy of wind to electrical energy and are comprised of three main components:

1. nacelle;
2. rotor; and
3. tower.

The *nacelle* houses the wind turbines main power generation components:

- a) gearbox;
- b) generator; and
- c) other components.

The *rotor* typically consists of three blades and the hub.

The *tower* is the tall, steel tower that is 50 metres or more in height and is typically manufactured in large diameter cylindrical steel hollow sections which are fitted out with internal mechanical and electrical assemblies and components, with sections commonly between 15 to 30 metres in length. Diameters of the sections can vary from approximately 4.5 metres at the bottom to 1.5 metres at the top of the tower. Depending on the tower height specification, the tower can consist of 3 to 5 completed sections.

Steel flanges are welded to the end of each *tower* section so that they can later be bolted together using specified flange bolts, nuts and washers during the *tower* erection stage.

Internals brackets and bosses are welded (or attached via magnetised devices) to the internal *tower* walls to be used as attachment points for internal mechanical and electrical components.

Each *tower* section is put through a surface treatment program which is dictated by the original equipment

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manufacturer (OEM) specifications in order to protect the tower from environmental elements.

Tower sections are fitted out with internal mechanical components and safety devices, typically this includes:

- aluminium or galvanised steel platforms and hatches;
- ladders or an internal electrical lift;
- cable trays;
- safety fall arrest devices;
- internal lighting system, all 240 volt power and lighting materials; and
- main electrical power cables and associated materials, junction boxes and earth cables.

Base tower sections are fitted with a tower access door and associated hardware.

Technical properties of utility scale wind towers

Wind tower sections are manufactured from steel plate comprising a range of thicknesses as required by the OEM specification which is determined by site wind turbine nacelle and blade load characteristics. Typically, specified steel plate grades are either sourced from Australian suppliers to AS/NZS 3678-Grade 350 or overseas steel suppliers to EN 10025-3-S355 being the nearest equivalent local and overseas standards. However, the steel plate grade is specified by the OEM, and may not be limited to these standards.

Flanges are generally imported and are typically forged steel to S355 grades.

Door frames and internal steel bracket materials are determined by the OEM specification and may be supplied by Australian or overseas steel suppliers.

Shell plate and internal attachment weld procedures and welder qualification requirements are based on BS EN ISO 15614-1 2004 standards.

2. What is the tariff classification and statistical code of the imported goods.

The imported goods are classified to subheadings 7308.20.00 or 8502.31.10 in Schedule 3 of the *Customs Tariff Act 1995*. Wind towers are classified to 7308.20.00 when imported as a tower or tower section(s) alone. Wind towers may also be classified to subheading 8502.31.10 when imported as part of a wind turbine (i.e. accompanying nacelles and/or rotor blades).

The applicants note that, although the subheadings are provided for convenience and classification purposes, the written description of the goods the subject of this application remains conclusive of the matter.

3. Fully describe your product(s) that are 'like' to the imported product:

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**
- **Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.**

Physical, technical and other properties

Physical characteristics and end-uses

Utility scale wind towers, whether imported or produced in Australia are made to purchasers' specifications on a project-by-project basis. As such wind towers may be considered *sui generis*.

However, although wind towers are built to each *original equipment manufacturer's* (OEM's) particular specifications, both imported and those produced in Australia all share basic physical characteristics - all are tubular steel towers with components such as doors, ladders, flooring, cables and wiring, and lights typically attached to the inner diameter of the welded steel plates. Wind towers vary in size and are built to a number of specifications, such as steel, welding, coating, and quality inspection standards that carry over from one OEM to the next. Therefore, certain OEMs may have certain specifications that differ from the standard specifications, but the standards are general to the industry and have been adopted by most manufacturers. Therefore, although every OEM has

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particular specifications it requires both overseas and domestic Australian manufacturers to meet for a particular wind project's wind towers, all wind towers are nevertheless used exclusively as part of wind turbines for supporting and elevating the nacelle and blades for the generation of electricity. There are no differences between one OEM's wind towers and another's in this regard.

Interchangeability

As wind towers are built to each of the OEM's specifications, they are typically not interchangeable with each other. However, those produced by different producers (whether overseas or domestic) to one particular OEM's specifications, would be interchangeable.

Channels of distribution

All wind towers are sold directly to the OEM, which incorporates them into wind turbines.

Manufacturing facilities, production processes and employees

All wind towers are made in similar manufacturing facilities, using similar production processes, and employees. Wind towers produced for one OEM are produced by the same domestic producers producing wind towers for other OEMs. All wind towers are produced by similar production methods utilising carbon steel welded into sections, before transportation to the wind project site for final assembly into wind towers.

Different makes and models within the range of utility scale wind towers

Wind towers are made to the purchasers' specifications on a project-by-project basis. Therefore, no two wind tower projects are identical. However, for a particular project, the wind tower regardless of its origin (imported or produced in Australia) must accord with the OEM's specifications.

4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.

Imported utility scale wind towers possess the same essential characteristics as utility scale wind towers produced in Australia in the following manner:

- identical physical dimensions;
- equivalent steel plate grade which must meet the required steel specification and either Australian AS/NZS 3678-350 or European steel standards to EN 10025-3-S355;
- equivalent manufacturing processes and welding standards;
- the same tariff classifications; and
- are completely substitutable.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code applicable to the construction (including on-site assembly) of complete steel towers are included in "Class 3109 Other Heavy and Civil Engineering Construction"

6. Provide a summary and a diagram of your production process.

Prior to production commencing, incoming steel plate is received and inspected for quality purposes, and all relevant steel plate heat and serial numbers logged into the materials identification system for traceability purposes. The first production activity is the processing of steel plate to specific sizes which fit individual strake dimensions (although, some operations outsource this process to other service providers). The plate weld surface preparation is carried out next through bevel cutting the edges to precise weld procedure needs.

The next production activity involves the rolling of the processed plate into individual cylindrical steel cans or strakes meeting the precise specification diameter and curvature needs. Longitudinal welds are then applied meeting the weld specification in order to join the two edges of the rolled can. Sequentially welded strakes are welded together at horizontal weld seams until the right numbers of steel cans are joined to form

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a Tower section. This is followed by the precise fitting up of steel flanges which must meet the required specification flange tilt and flatness tolerances.

Prior to surface treatment, all internal wall brackets and bosses are fitted to the inside walls of the tower sections so that internal galvanised or aluminium components can be fitted after the fabricated black steel sections are welded out according to the manufacturing plan.

Non Destructive Testing of all weld seams and welded components is undertaken with all results recorded on data collection sheets.

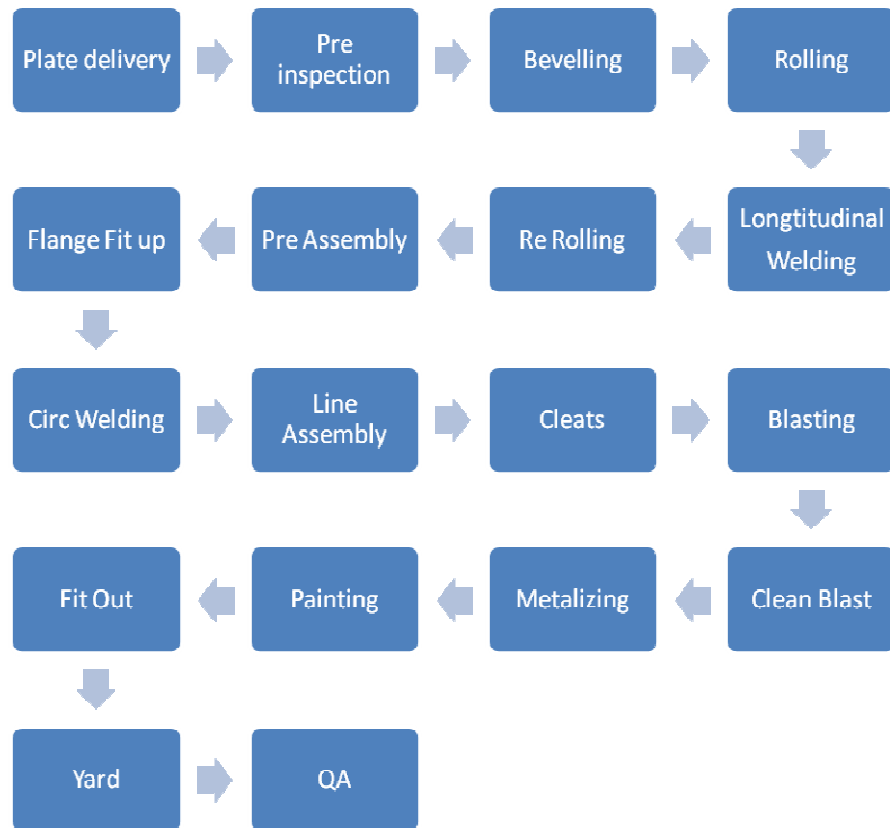
The first surface treatment activity is blasting in order to ensure all steel surfaces are clean and well prepared for the painting process. If metallising to flanges or tower sections is required this process comes next and once dried to the required temperature the tower is ready for the painting application process. The internal walls of the tower sections are painted first, commonly with a minimum two coat process. The exterior wall paint application comes next, with sequential coats applied as per the specification to meet the exact Dry Film Thickness (DFT). Commonly three exterior coats are applied in a humidified paint zone or booth which allows curing to occur at preset temperatures and humidity.

The internal fit out of mechanical parts is the next process, with galvanised or aluminium platforms either bolted or welded in, along with ladders and cable trays and safety fall arrest devices. All electrical main power cables, junction boxes and electrical lighting are usually installed next prior to readiness for delivery from the factory to site.

In the final production phase the tower sections are washed and prepared for delivery with all internal cables and attachments tied down, transport saddles fitted at each end of the tower section to help protect the finished painted surface, along with brace bars to protect the towers during overland transport or shipping. End cover tarpaulins are fitted to prevent dust encroaching inside the tower sections during delivery and storage at site.

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Utility scale wind tower manufacturing production processes



7. If your product is manufactured from both Australian and imported inputs:
- describe the use of the imported inputs; and
 - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

It is common practice for the Australian industry to purchase most of its steel plate requirements from the Australian supplier, BlueScope Steel Limited (**BlueScope Steel**). To date, Haywards and Keppel Price have purchased all of their steel plate needs from BlueScope Steel.

The Australian producers of utility scale wind towers always fabricate, consolidate and weld all steel wind tower sections in Australia, and fit-out all internal electrical and mechanical components.

Sometimes the Australian producers of utility scale wind towers fabricate all the mechanical internals, and at times these components are free issued by the OEM client. All main power, auxiliary lighting electrical and lift components are either Australian or imported inputs.

Flanges are the only input into a utility scale wind tower that is consistently imported from Korea.

8. If your product is a processed agricultural good, you may need to complete Part C.3 (close processed agricultural goods).

Utility scale wind towers are not a processed agricultural product.

9. Supply a list of the names and contact details of all other Australian producers of the product.

All of the Australian industry producers of utility scale wind towers are parties to this application.

A-4 The Australian market.

1. Describe the end uses of both your product and the imported goods.

The end uses of Australian manufactured utility scale wind towers are identical to imported wind towers. Both sources of supply produce wind towers to the identical manufacturing specification, and both manufactured versions are used for the identical purpose of structural support to the wind tower nacelle and blades in order for the turbine to reach suitable wind zone heights, whilst also transporting collected energy up and down the tower to the connected transmission grid and allowing personnel access to the turbine for maintenance purposes.

Imported wind towers have the same end-use applications for identical markets as domestically manufactured Wind Towers.

2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- **sources of product demand;**
- **marketing and distribution arrangements;**
- **typical customers/users/consumers of the product;**
- **the presence of market segmentation, such as geographic or product segmentation;**
- **causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;**
- **the way in which the imported and Australian product compete; and**
- **any other factors influencing the market.**

Market Overview

The Australian utility scale wind tower market has experienced volatile demand movements since the local market commenced in 2000, which can largely be attributed to changes in Government policy and legislation. When the market commenced, local wind tower manufacturers established operations close to high wind zones on the South Eastern areas of Australia at Portland, Adelaide and Launceston.

Refer to the charts in **non-confidential attachment A2.2** which show all Wind Farm projects since the local market commenced; and in which locations wind towers have been supplied by local manufacturers and off-shore producers.

The Australian market for wind towers is expected to double during the next 2-3 years as renewable energy policy heads towards achieving a 20% renewable energy mix by 2020. The Australian wind tower market demand has fluctuated from 100 to 200 towers per year since it commenced. However, in order to achieve the 2020 target and install the anticipated 1,000MW annually of Wind Energy capacity, approximately 400 wind towers per year would be required.

Sources of Product Demand

A broad driver of Wind Farm installations generally has been the growing international trend of nations increasing in country supply of renewable energy in order to achieve long term security of energy supply, and to combat the increasing global issue of climate change. Currently Wind energy is by far the most economic of all alternative renewable energy sources, and this form of renewable energy provides more advanced technology having commenced well before other commercialised renewable energy sources in Northern Europe during the early 1990s.

The primary driver of renewable energy demand and thus wind energy growth in Australia has been Commonwealth Government legislation found in the *Renewable Energy (Electricity) Act 2000 (Cth)*, which requires electricity retailers to source an increasing proportion of their electricity from accredited renewable sources, via the Renewable Energy Target (RET).

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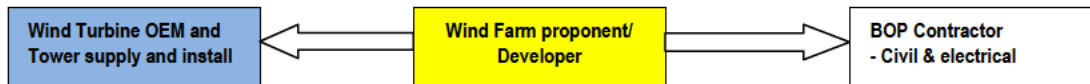
Tower Marketing and Distribution Arrangements

The supply chain for Wind Towers has traditionally been controlled by the turbine OEMs whose clients are the Wind Farm proponents, and most have head offices in Northern Europe, China or the US.

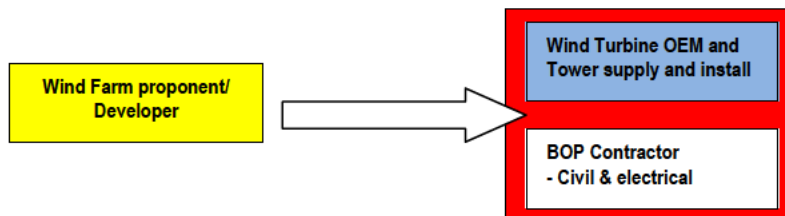
An alternative supply chain arrangement sometimes occurs whereby the wind tower supply component of the construction contract rests with the EPC (contracted Engineer Procurement and Construct firm).

Three Common Contracting Arrangements

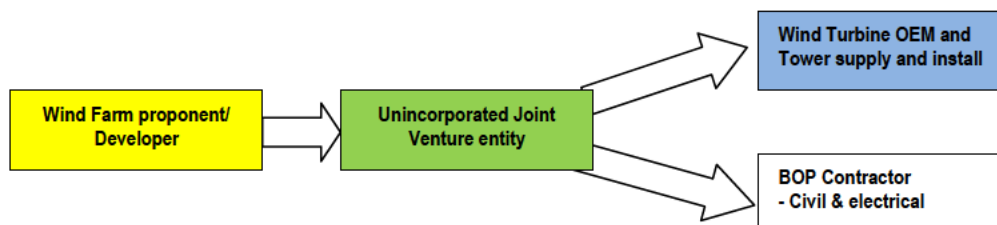
1. **Separate contracts for wind tower and turbine supply and installation, and Balance of Plant (BOP).**



2. **EPC (Engineer, Procure, Construct) single contracting structure with one entity.**

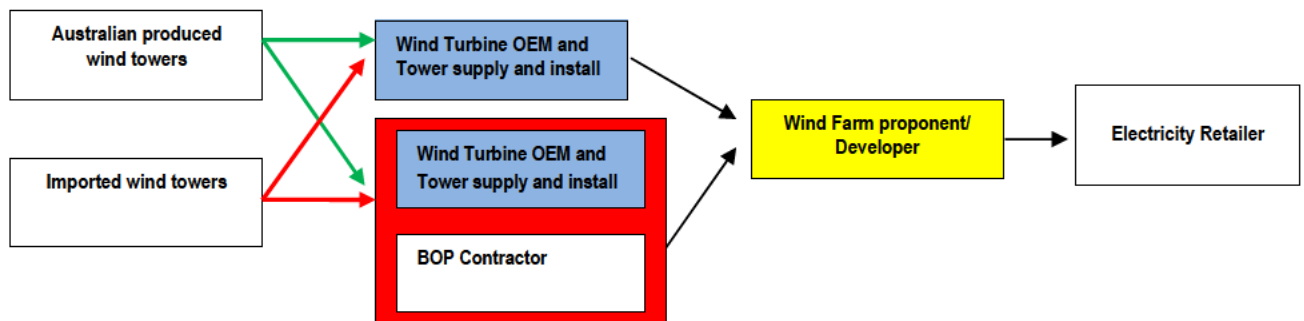


3. **Unincorporated Joint Venture (UJV) – single contract with a consortium structure.**



Wind Towers - Channel to Market:

Depending on the contractor model used, both Australian and overseas wind tower manufacturers supply wind towers directly to either the turbine producer or the EPC firm.

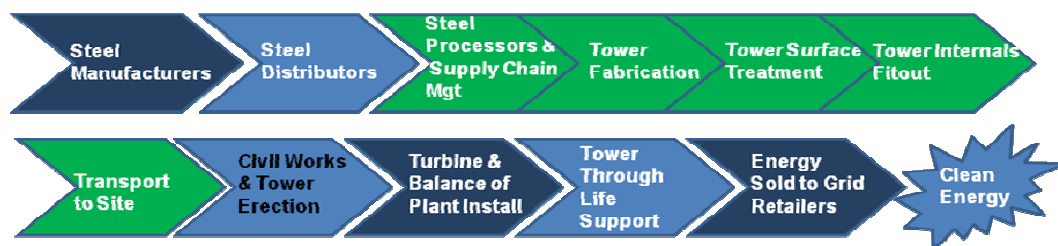


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The Wind Turbine Construction Supply Chain

The total value of a utility scale wind tower constitutes approximately 8% of a fully constructed wind turbine.¹ It is estimated 86% of the total cost of an installed wind turbine comes from imported component materials elements; whereas the remaining 14% comes from Australian manufactured materials and components, which includes wind towers.²

Australian Wind Tower Manufacture Value Chain:



Wind tower marketing and distribution is a simple process, as the wind tower supply tender is placed with pre-qualified tower manufacturers, both locally and overseas. The tender may call for ex-works price offers, or pricing delivered to site. Local currency is used for wind tower pricing. However, at times tenders call for offers based on a mix of free-issue material components, which may include any combination of the following inputs:

- Steel plate;
- Flanges;
- Flange bolts;
- Paint;
- Mechanical internal components;
- Main electrical cables and allied components; and
- Lifts

The Impacts of Commonwealth Government Policy and Legislation on Product Demand

A Commonwealth review of the RET legislation was conducted in 2003 producing a report titled *Sustainable Energy Industry in Australia (the SEI report)*. The review found unless the complete associated costs of fossil fuel generation were factored into the price of electricity, the outlook for renewable energy was limited without much greater government intervention.

In 2006 the Commonwealth Government then implemented the *Renewable Energy Electricity (Amendment) Act (REE Act)* with the objective of rectifying the market failure and renewable energy cost competitiveness issues. The REE Act obligated electricity wholesalers to contribute towards an additional 9500 gigawatt hours (**GWh**) target for renewable energy annually by 2010, or face a shortfall tax charge under the *Renewable Energy (Electricity) (Charge) Act 2000 (Cth) (the Charge Act)*. Under subsection 39(3) of the Charge Act the Minister must consider the annual achievements of individual liable entities to determine new targets.

In order to further assist renewable energy producers, the REE Act provides opportunities for statutory taxation credits, or Renewable Energy Certificates (**RECs**), now referred to as Large Generator Certificates, (**LGCs**). Qualified generators of renewable energy create a REC for each megawatt hour (**MWh**) of electricity they produce which has a market value and can be transferred to any person through accredited mechanisms. Furthermore if electricity producers and retailers do not achieve their annual target proportion of renewable electricity sales to consumers, they must relinquish an appropriate number of RECs to the Renewable Energy Regulator, or pay the required shortfall tax charge.

¹ Based on average Wind Tower value of \$500k, and average installed Wind Turbine value of \$6m

² "Benefits of Local Wind Tower Manufacturing to the Australian Renewable Energy Industry and Economy", Australian Wind Tower Manufacturing Alliance, Australian Wind Industry Strategy Workshop, March 13, 2012

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The Australian policy settings changed again in December 2007 when the newly elected Federal Government signed the *Kyoto Protocol* and committed to international negotiations for a global agreement on climate change abatement, along with a target for Australia to reduce greenhouse gas emissions by 60% on 2000 levels by 2050.³ The signing of the *Kyoto Protocol* injected significant investment confidence in the Australian wind energy sector. A further positive signal to the wind sector was the Federal Government's announcement to achieve an increased share of the electricity market supply by 2020, increasing the RET target from 9,500 GWh to 41,000 GWh by 2020.⁴

Impacts of State and Local Government Policy and Planning Laws

State Government policy and planning laws have a significant impact on utility scale wind tower demand. State and Local Governments have planning and licensing control of site decisions for Wind Farm facilities, conduct project Environmental Impact Assessments and regulate electricity retail market arrangements.

South Australia has the greatest wind energy contribution to power usage and has been very proactive in developing renewable energy policy. Wind produced electricity capacity in the state is currently 1066 MW within a total current state demand of 1600 MW.⁵ When wind is blowing at full capacity, wind produced electricity can power over 70% of the State's needs.

South Australia was an early entrant into wind energy development in Australia, fostered by both State Government legislation and its inherent high wind resource. An early legislative catalyst of the industry in SA was the *Development Act 1993* (SA) which mandated that local council planning and development applications must be consistent with the State Act.⁶

The South Australian Government has ratified one of the highest state renewable energy targets, second to Tasmania, in the *Climate Change and Greenhouse Gas Emissions Reduction Act 2007* (**CCGGER Act**). The objective is to increase the ratio of state renewable electricity consumed to 20% by 31 December, 2014. In 2006 the SA Government developed a *Greenhouse Gas Strategy* which called for a 60% reduction in greenhouse gases during the next fifty years. The key goals are to lead the nation in wind and solar power generation; dramatically increase the use of renewable electricity; and lead Australia in wind power development. The promotion of research and development, along with supporting the commercialisation of wind energy technologies is also vested in the CCGGER Act.⁷

Summary of very recent changes to various State Laws which impact Wind Farm developments

All Australian states are now participants in the *Energy Australia Scheme* which ensures electricity end customers can purchase their power needs coming from renewables such as wind. Products such as "green-power" have emerged because a segment of customers are prepared to pay more for renewable energy which often comes at a higher cost than fossil fuel fired sources.

Recent Changes to Renewable Energy Policy and Targets in Australia

Section 162 of the *Renewable Energy (Electricity) Amendment Act 2010* (**REE Act**) mandates a review of the RET every two years, the scope of which includes: the operation of the Act, the operation of Large Generator Certificates, the diversity of access for renewable energy sources, the impact of the RET on electricity markets, and the Large Scale Renewable Energy Target. At the time of this application, the RET review has been completed, and the recommendations are currently before government. If changes to the RET target are accepted these will also have future impact on increasing the demand for Wind Towers nationally.

³ Australian Government Department of Climate Change, Kyoto protocol, <<http://www.climatechange.gov.au/international/kyoto>>

⁴ Office of the Renewable Energy Regulator, MRET targets found at, <<http://www.orer.gov.au/publications/pubs/mret-the-basics-0709>>

⁵ Clean Energy Council, <<http://www.cleanenergycouncil.org.au/cec/technologies/wind>>

⁶ South Australian Government, <<http://www.planning.sa.gov.au/edp/pdf/windfarm.pdf>>

⁷ Lyster, R., "Chasing down the climate change footprint of the private and public sectors: Forces converge", 24 EPLJ, 287.

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The Commonwealth Government has also introduced the Clean Energy Finance Corporation (**CEFC**), which is a \$10 billion fund which dedicates investments towards renewable energy technologies. This is expected to also have some demand impacts on Wind Towers over time.

Most recently the Commonwealth Government has introduced a carbon price to further stimulate demand for renewable energy sources such as wind power.

Typical Customers/Users/Consumers of the Product

The clients of wind towers can include the turbine OEMs, or the project EPCs, with Wind Farm proponents constituting the client's customer. Once the Wind Tower product has been assembled with all other Wind Energy Unit components and commissioned for use, the consumers of the resulting renewable energy product are all electricity grid network users, such as private residents, commercial and industrial power users.

The Presence of Market Segmentation

The utility scale wind tower market can be segmented into two Wind Farm segments according to scale:

- (A) Large scale commercial Wind Farms generating over 30MW of renewable energy; and
- (B) Community Wind Farms which are largely owned by local community members and are predominantly under 30MW with the number of Wind Towers in the single digits.⁸

This application applies to both Wind Farm segments as they are both exposed to material injury from imported towers.

In terms of **geographic segmentation** the applicants consider that the application applies to all imported utility scale wind towers irrespective of unloading port – i.e. Australia wide. The applicant industry companies market and sell across Australia.

Other Causes of Demand Variability

Financial institutions commonly will not approve finance for new Wind Farm projects unless a Power Purchase Agreement (**PPAs**) has been ratified between the Wind Farm proponent/developer and the energy retailer. The Office of Renewable Energy Regulator (**ORER**) approves long term PPAs between the electricity retailers and project developers. Some agreements between grid network service providers and wind energy developers have reportedly instigated the right to limit wind energy contribution during specific circumstances. The price of LGCs (Large Generator Certificates – also known as RECs) can also influence whether PPAs are ratified because Renewable Energy Certificates are usually bundled into the PPA deal supporting the price of Wind energy against fossil fuel sources.

Economic cycles have an impact on the Wind Farm industry as invariably during contracting cycles project financing becomes much tighter. Since the GFC project financing availability has become much softer and the Banks have generally been cautious with the Wind Farm industry due to its ongoing viability being constrained by fluctuating Government policy.

Developments in Wind Turbine technology have continued to progress over recent years with a move to larger and more efficient turbines. This has had impacts on improving the level of investment payback. Innovation in Wind Tower manufacturing technology have been relatively slow, with some efficiency gains being made during the past decade in relation to materials handling. Anticipated near term break throughs in energy storage would assist with further demand levels for intermittent forms of renewable energy, such as Wind Energy.

Imported and Australian utility scale wind tower competition

Australian manufactured wind towers compete with the same imported products solely on price.

⁸ For example, Hepburn Springs WF consists of 2 Towers, and is 70% owned by 1600 local shareholders

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Both utility scale wind towers produced in Australia, and imported, must meet the OEM purchaser's manufacturing and design specifications, and production and delivery schedule.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are currently no commercially significant market substitutes for the Australian and imported product.

A possible substitute for utility scale wind towers, that have not been broadly commercialised in the Australian market, are:

- cylindrical concrete wind towers, which are hybrid concrete section and steel section wind towers; and
- lattice steel towers.

In the Australian market, to date, cylindrical, utility scale wind towers, made wholly of steel, have been strongly preferred over concrete due to overall cost advantages.

Lattice styled towers have been considered. However, the Australian market prefers solid cylindrical towers from an aesthetic perspective.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Confidential Appendix A1 has been completed for the Australian industry.

5. Complete appendix A2 (Australian market).

Confidential Appendix A2 has been completed for the Australian Utility Scale Wind Tower market.

6. Use the data from appendix A2 (Australian market) to complete this table:

*Indexed table of sales quantities**

Market data from Industry Confidential Appendix A2 has been used to prepare the table A-4.6.1 below.

Period (CY)	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	(g) Total Market (c+f)
2008	100	--	100	--	100	100	100
2009	136	--	136	--	854	854	186
2010	54	--	54	100 ²	215	454	83
2011	71	--	71	0	0	0	66
2012	76	--	76	677	0	1,615	184

Table A-4.6.1 Australian market (Source: Appendix A2)

Notes: 1. "Your sales" represents sales by Haywards, Keppel Prince and RPG
 2. 2010 represents the first year of dumped imports, thus Index based on 2010

Table A-4.6.1 highlights the decline in the Australian industry's sales volumes since 2010, including a 24 per cent decline in the industry's sales volume for locally produced utility scale wind towers across the injury analysis period. Meanwhile, import volumes for dumped utility scale wind towers have grown by 577% since 2010, while the total the Australian market grew by 124% across the same period (2010 -2012).

A-5 Applicant's sales.

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1. Complete appendix A3 (sales turnover).

Confidential Appendix A3 has been completed by each of the applicant companies. Please refer to individual company data for these schedules.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities**

Data is provided for the utility scale wind tower Industry for "like goods" only, as "All products" across the industry provides no meaningful benchmark. Please also refer to Confidential Appendix A3 data.

Utility scale wind tower industry

Quantity	2008	2009	2010	2011	2012
All products					
Australian market					
Export market					
Total					
Like goods					
Australian market	100.0	136.0	54.4	71.0	76.1
Export market	0.0	0.0	0.0	0.0	0.0
Total	100.0	136.0	54.4	71.0	76.1

*Indexed table of Applicant's sales values**

Value	2008	2009	2010	2011	2012
All products					
Australian market					
Export market					
Total					
Like goods					
Australian market	100.0	141.4	55.10	54.36	52.86
Export market	0.0	0.0	0.0	0.0	0.0
Total	100.0	141.4	55.10	54.36	52.86

3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or
- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

None of the applicant companies have made any:

- internal transfers; or
- domestic sales of like goods that they have not themselves produced.

4. Complete appendix A4 (domestic sales).

Confidential Appendices A4 has been completed for the calendar year 2012 for Haywards and Keppel Prince. Access to detailed sales reports for RPG are not available given the placement of the company under external administration. Therefore, a confidential appendix A4 has not been prepared for RPG.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

None of the applicant's customers are associated with its business.

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6. Attach a copy of distributor or agency agreements/contracts.

Distributors or agents do not form part of the Australian utility scale wind tower market. Therefore, there are no applicable agreements available.

7. Provide copies of any price lists.

There are no price lists available because all Request For Tenders (RFQ) are priced individually on a project by project basis.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).
- If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

There have been no price reductions in the form of commissions, discounts, rebates, allowances and credit notes to the sales values identified in Confidential Appendix A4.

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Haywards has included with this application commercial documentation for each domestic sale during the injury analysis period (1 January 2008 to 31 December 2012), Confidential Attachment A-5.9.1. Keppel Prince has included with this application commercial documentation for each domestic sale during 2012 Confidential Attachment A-5.9.2.

A-6 General accounting/administration information.

1. Specify your accounting period.

A.C.N. 009 483 694 PTY. LTD.

Financial year ending 30 June.

Keppel Prince Engineering Pty Ltd

Financial year ending 31 December.

2. Provide details of the address(es) where your financial records are held.

Financial records are located at the premises nominated for each of the company contacts in Section A-1 above.

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3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
2. the company overall.

Charts of accounts have been provided for the following entities:

Legal Entity	Trading names	Confidential Attachment
A.C.N. 009 483 694 Pty. Ltd.	Haywards	A-6.3.1
Keppel Prince Engineering Pty. Ltd.	Keppel Prince	A-6.3.2
RPG Aus Administration Pty. Ltd. (In liquidation)	RPG Australia	Not available since appointment of external administrators

Annual reports have been included for each of the applicant companies (refer section A-2.9 above).

Internal financial statements will be provided to Customs upon verification visits to each of the applicants.

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

All of the companies' accounts are audited annually.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

The industry's accounting practices are in accordance with Australia's generally accepted accounting practices.

6. Describe your accounting methodology, where applicable, for:

- The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;

Income from the sale of goods is recognised when the consolidated entity has passed control of the goods to the buyer.

- provisions for bad or doubtful debts;

There are currently no bad or doubtful debts associated with the sale of the goods the subject of the application. However, in accordance with the companies' accounting practices, trade debtors are

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reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

The applicants each apply a project accounting (or job cost accounting) system.

Accordingly, expenses (both direct and overhead) are allocated to projects. Material and direct labour expenses are allocated to projects as they are incurred. Variable and fixed overheads are allocated on an absorption cost basis.

Percentage-of-completion is frequently assessed by the applicants. Funding advances and actual-to-budget cost variances are calculated using the project budget adjusted to percent-of-completion.

A.C.N. 009 483 694 PTY. LTD.

Haywards [redacted] financial management [redacted] [finance function]. The company uses [redacted] [name] job costing system. The company uses [redacted] [name] as its financial management information system. The company uses [redacted] [name] as its payroll and human resources system.

Keppel Prince Engineering Pty Ltd

Keppel Prince uses [redacted] [name] as its project costing and financial management system.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

The pricing of the raw materials used in the goods, ie. steel, are established [redacted] [procurement strategy].
[redacted] [terms].

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);**

[redacted] [accounting practices].

- **valuation methods for scrap, by-products, or joint products;**

Scrap volumes are negligible and therefore are inconsequential.

No by-products, nor seconds are produced.

Therefore, valuation methods have therefore not been established

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

Lower of cost and net realisable value.

- **valuation and revaluation of fixed assets;**

Subsequent to initial recognition, assets are valued at fair value. Revaluations are made with sufficient regularity to ensure carrying amounts do not differ dramatically from fair value.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

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Buildings 10-40 years
 Plant and equipment 3-20 years
 Equipment under finance lease 3-5 years

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Foreign exchange gains and losses are brought to account using the rate of exchange applicable at the date of the transaction.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Provisions for restructuring represents best estimate of the costs directly and necessarily incurred for the restructuring and not associated with ongoing activities.

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

Accounting methods have not altered over the periods for which financial data has been prepared for this application, unless required to by the relevant accounting standard.

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

See Confidential Appendix A6.1 for the two applicants and RPG Australia are attached.

The applicants have no export sales.

A-8 Injury

1. Estimate the date when the material injury from dumped imports commenced.

The applicants estimate the material injury to the industry caused by dumped imports commenced in CY 2010 with the loss of the following tenders to the following sources of utility scale wind towers:

Project	Site	Quantity	Supplier	Origin
Gunning	Gunning, NSW	31	Dongkuk S & C	South Korea

In CY 2011, the Australian utility scale wind tower industry has been price undercutting to compete with dumped imports from China and South Korea. Specifically, the Australian industry won the following tenders after benchmarking its bids against dumped import prices:

Project	Site	Quantity	Competing bid source
The Bluff	Hallett, SA	24	China South Korea
Woodlawn	Tarago, NSW	16	China South Korea
The Bluff (Extension)	Hallett, SA	2	China South Korea

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Macarthur	Macarthur, VIC	140	China South Korea
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In CY 2012, the Australian industry again engaged in price undercutting to compete with dumped imports from China and South Korea. Initially, the Australian industry won two tenders at undercut prices. In one case in CY 2012, the Australian industry was awarded only 23% of the volume of a project (Gullen Range). The remaining 77% of volume was awarded to dumped Chinese imports. In summary, the Australian industry won the following tenders after benchmarking its bids against dumped import prices:

Project	Site	Quantity	Competing bid source
Mortens Lane	Hamilton, VIC	13	China South Korea
Musselroe	Musselroe, TAS	53	China South Korea
Gullen Range	Gullen Range, NSW	17	China

The Australian industry lost all further tenders in CY 2012, following the loss of 77% of the volume of the Gullen Range, NSW project. Specifically, the following volume was lost to dumped imports in CY 2012:

Project	Site	Quantity	Supplier	Origin
Gullen Range	Gullen Range, NSW	56	TSP Shanghai Taisheng Wind Power Equipment Co. Ltd	China
Snowtown II	Snowtown, SA	70	CS Wind Corporation	China
Mt Mercer	Ballarat, VIC	64	Win & P., Ltd	South Korea

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production.

The sales and costs data of Haywards, Keppel Prince and RPG Australia have been used to construct the following indices.

Index of production variations (towers)

Calendar year	2008	2009	2010	2011	2012
Index	100.0	118.7	53.9	59.0	70.1

Index of cost variations (based on A\$ cost to make and sell per tower)

Calendar year	2008	2009	2010	2011	2012
Index	100.0	122.3	91.3	107.2	89.9

Index of price variations (based on A\$ unit value per tower)

Calendar year	2008	2009	2010	2011	2012
Index	100.0	104.2	101.4	76.6	69.5

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Index of profit variations (based on A\$ profit per tower)

Calendar year	2008	2009	2010	2011	2012
Index	100	12.2	152.2	-78.5	-34.0

Index of profitability variations (based on unit profit as a % of unit selling price)

Calendar year	2008	2009	2010	2011	2012
Index	100	11.7	150.1	-102.4	-48.9

3. Complete appendix A7 (other injury factors)

Where applicable to injury claims, prepare an indexed table for other injury factors in the format above.

Index of revenue variation (\$)

Calendar year	2008	2009	2010	2011	2012
Index	100.00	141.39	55.10	54.36	52.86

Index of employment numbers (numbers)

Calendar year	2009	2010	2011	2012 (30 Jun)	2012 (31 Dec)*
Index	100.0	111.4	84.7	63.3	31.0

**Following the closure of RPG Australia*

Index of capacity (maximum unit capacity per annum)

Calendar year	2009	2010	2011	2012 (30 Jun)	2012 (31 Dec)*
Index	100.0	100.0	100.0	100.0	63.0

**Following the closure of RPG Australia*

Index of capacity utilisation (unit output per annum/maximum unit capacity)

Year	2009	2010	2011	2012
Index	100.0	104.7	70.0	52.6

Index of wages bill for like goods

Calendar year	2009	2010	2011	2012 (30 Jun)	2012 (31 Dec)*
Index	100.0	66.8	63.5	46.7	27.6

**Following the closure of RPG Australia*

A-9 Link between injury and dumped imports.

To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

There is a direct correlation between the growth in volume of the dumped imports and the decline in sales volume and market share of utility scale wind towers manufactured by the Australian industry.

The following diagrams demonstrate the loss of sales volume and market share in response to a rise in the volume of dumped imports. The data is presented by calendar year as the volume of sales across quarters is not instructive in this market.

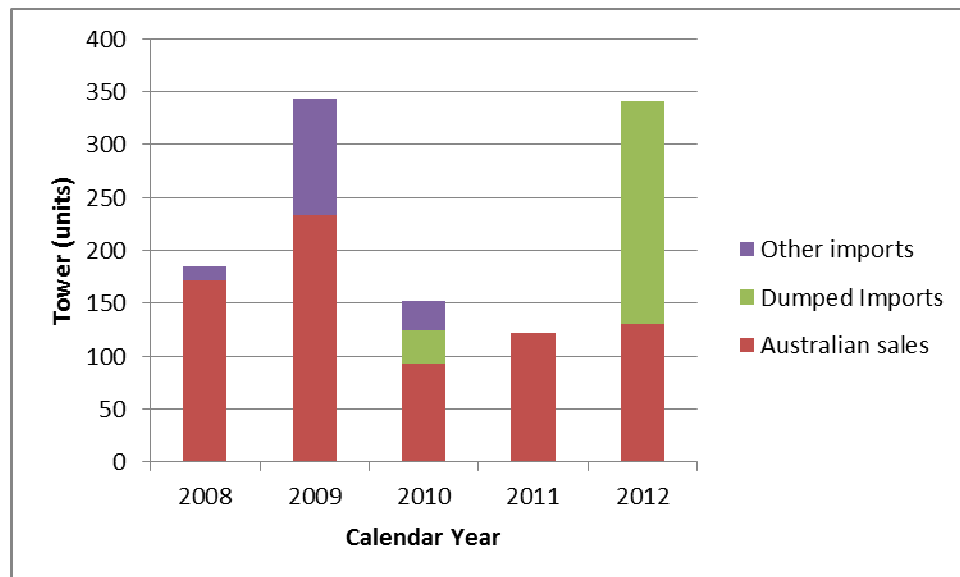


Diagram A-9.1.1 Australian market size and supply source since January 2008 (Source: appendix A2)

The emergence of dumped imports in 2010 directly displaced Australian “like goods” from the market. In 2011, Australian “like goods” regained volume and market share only via significant price undercutting and erosion of margin (profit). Diagrams A-9.1.2 and A-9.1.3 illustrate the trend of falling sales volume. and loss of market share, by the Australian industry producing “like goods”.

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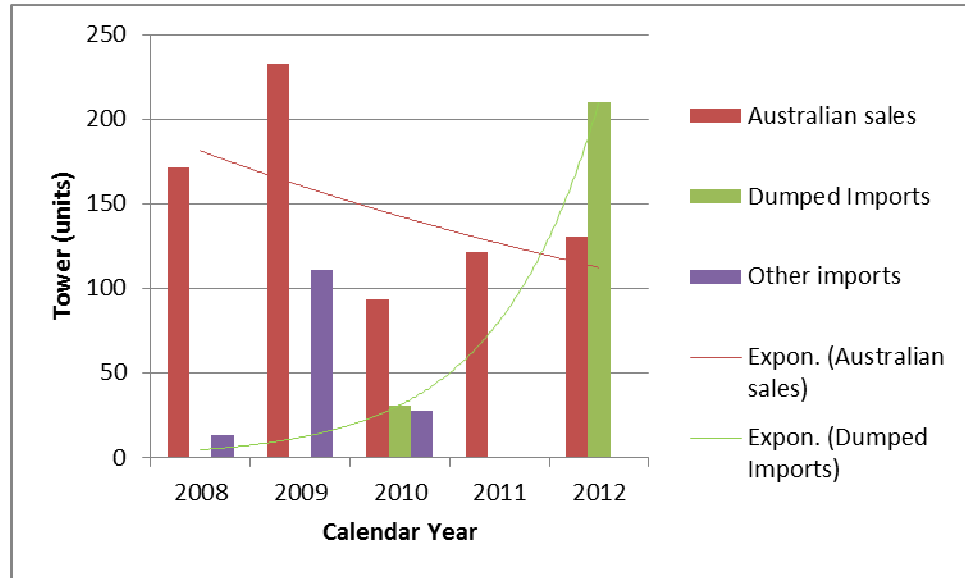


Diagram A-9.1.2 Australian market size and supply source since January 2008 (Source: appendix A2)

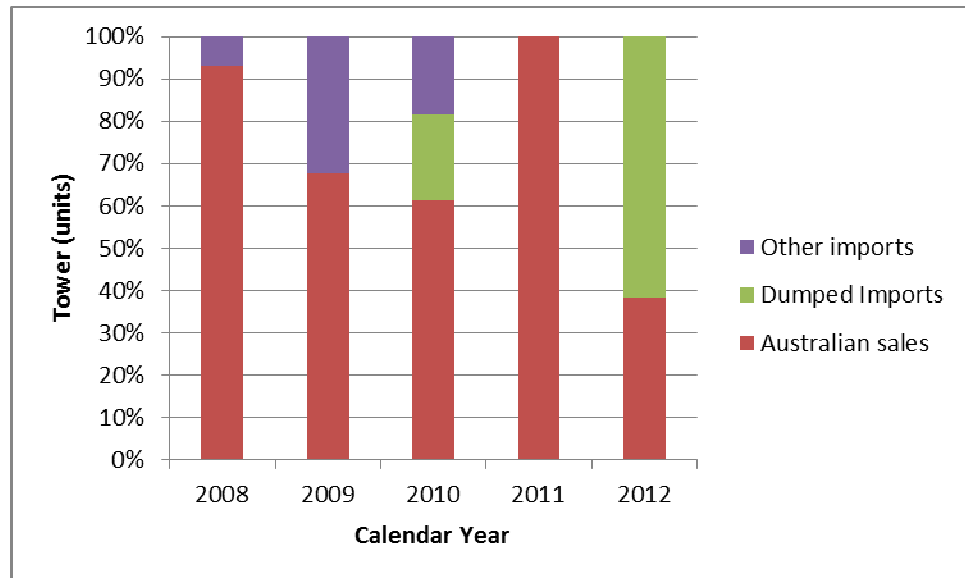


Diagram A-9.1.3 Australian market share by source since January 2008 (Source: appendix A2)

2. Use the data at **appendix A2** (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at **appendix A6.1** (cost to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

The data is presented by calendar year as the value of sales across quarters is not instructive in this market.

Following the loss of 31 towers for the Gunning (NSW) Wind Farm project in 2010 to dumped imports from Korea (Dongkuk S & C), the Australian industry has continued to lose value, profit and profitability in the face of intense price undercutting to compete with supply from dumped sources.

In 2011 the Australian industry was able to win sales of utility scale wind towers to the following wind farm projects by undercutting to meet the competing tenders of Chinese and Korean exporters of Utility Scale Wind Towers:

- The Bluff (Hallett, SA), 24 + 2 (extension) towers;
- Woodlawn (ACT), 16 towers; and
- Macarthur (VIC), 140 towers.

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Initially in 2012, the Australian industry was able to win sales of utility scale wind towers, albeit at considerably undercut prices, resulting in a decline in unit value, profit and profitability. This material injury was observed in the following wind farm projects:

- Morton's Lane (Hamilton, VIC), 13 towers
- Musselroe (TAS), 53 towers; and
- Gullen Range (NSW), 17 towers.

In the case of the Gullen Range wind farm project for the supply of 17 towers, the successful Australian industry bid was undercut by TSP China.

Notwithstanding significant price undercutting, the Australian industry lost the following wind farm projects in 2012:

- Gullen Range (NSW), 56 towers;
- Snowtown II (Snowtown, SA), 90 towers
- Mt Mercer (Ballarat, VIC), 64 towers.

In the case of the Gullen Range wind farm project for the supply of 56 towers, the Australian industry's bids were undercut by TSP China.

The following diagrams demonstrate the deterioration in price, profits and profitability of the Australian industry:

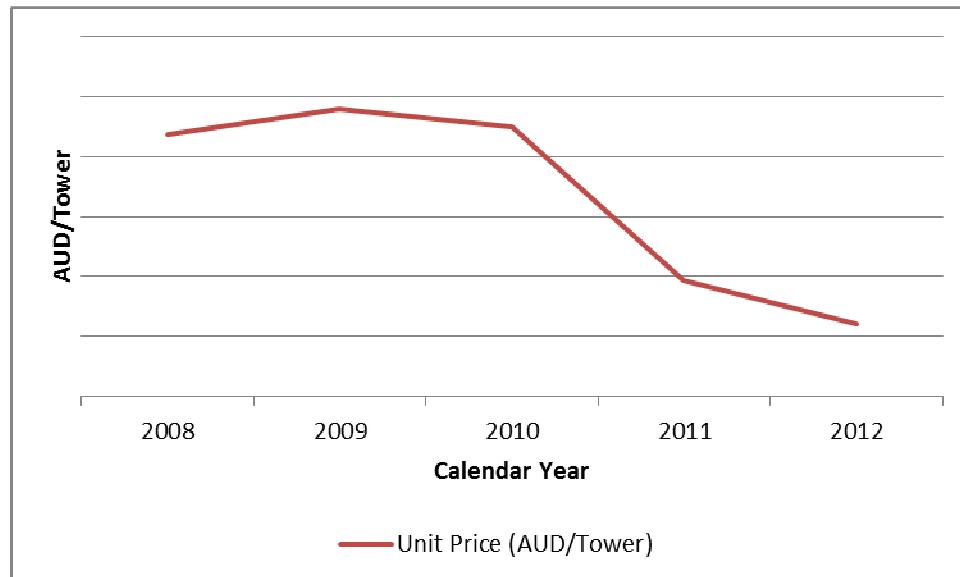


Diagram A-9.2.1 Australian industry average unit values since January 2008 (Source: appendix A6.1)

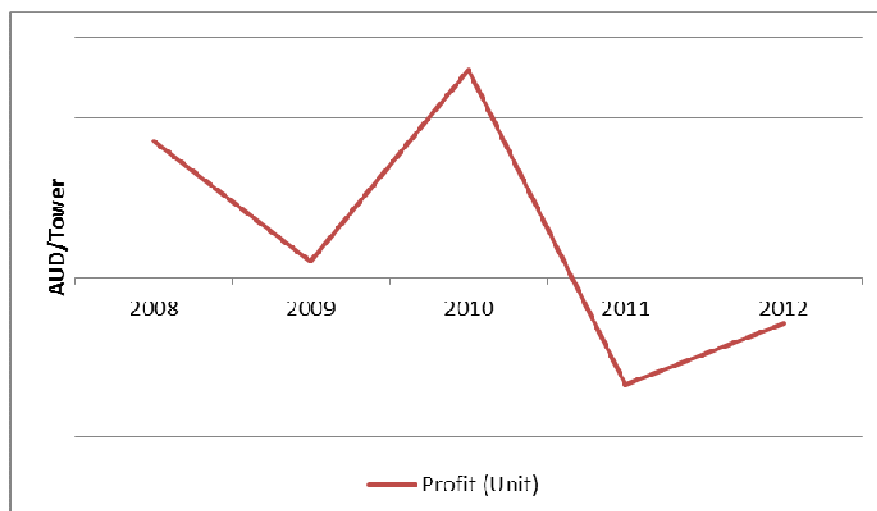


Diagram A-9.2.2 Australian industry profit since January 2008 (Source: appendix A6.1)

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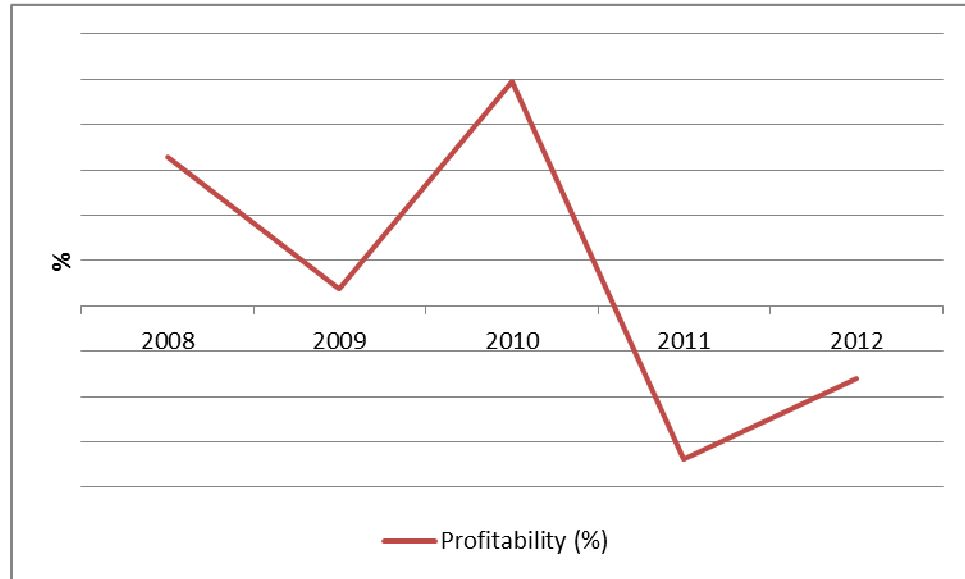


Diagram A-9.2.3 Australian industry profitability since January 2008 (Source: appendix A6.1)

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

The data is presented by calendar year as the value of sales across quarters is not instructive in this market.

The following diagrams demonstrate the impact of dumping in 2010 on the Australian industry's capacity to maintain margin. Notwithstanding a decline in variable costs since 2009, the Australian industry has experienced an erosion in unit value caused by intense price pressure to compete with Chinese and Korean tenders for wind farm projects since 2010. In 2011, the erosion in margin, and extent of price suppression resulted in the Australian industry moving into a loss making position, with greater losses experienced in 2012. Indeed the loss of production volume in 2012 is reflected in the increased unit fixed costs of the Australian industry.

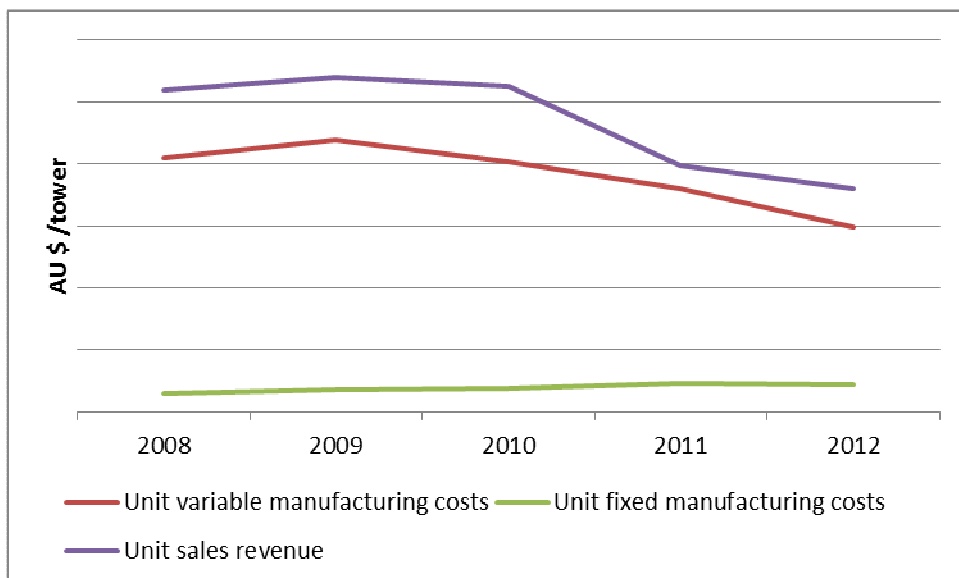


Diagram A-9.3.1 Australian industry unit price against unit variable and fixed costs since January 2008 (Source: appendix A6.1)

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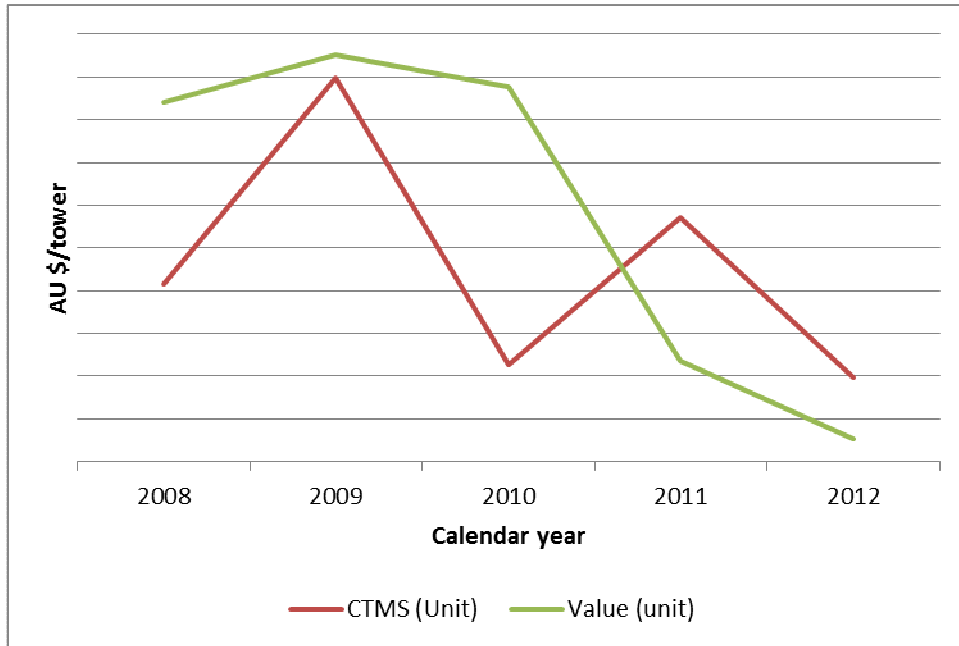


Diagram A-9.3.2 Australian industry price suppression graph since January 2008 (Source: appendix A6.1)

Diagram A-9.3.2 illustrates the impact of price undercutting caused by the Australian industry benchmarking tender offers against Chinese and Korean bids in 2011.

4. The quantity and prices of dumped imports may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at [appendix A7](#) (other economic factors) are relevant, include discussion of those in response to this question.

It is observed that the Australian industry's return on investment has collapsed in response to the entry of dumped imports in 2010, and the growth in dumped imports in 2012. The relationship between the volume of dumped imports and the industry's return on investment is represented in diagram A-9.4.1.

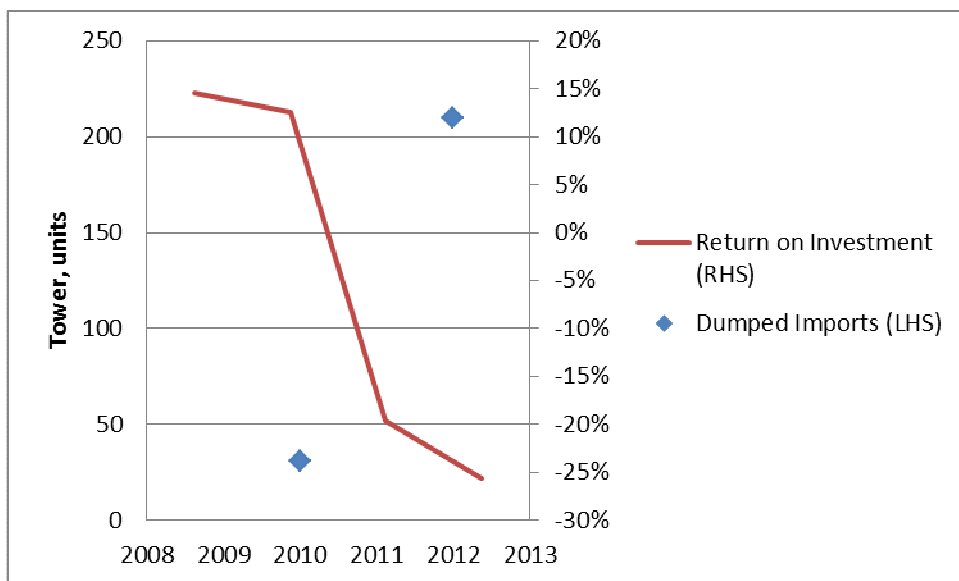


Diagram A-9.4.1 Relationship between Australian industry return on investment and volume of dumped imports since January 2008 (Source: appendices A2 and A7)

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Diagram A-9.4.2 (below) demonstrates the decline in employment levels in the Australian industry in response to the growth in volume of dumped imports between 2010 and 2012. The direct relationship between dumped import volumes and employment conditions is further reinforced by diagram A-9.4.3, which shows a slight easing in the rate of loss in wages paid for production of Australian produced like goods in 2011, when there was an absence of dumped imports. Any easing in wages loss were immediately lost in 2012 when dumped import volumes spiked.

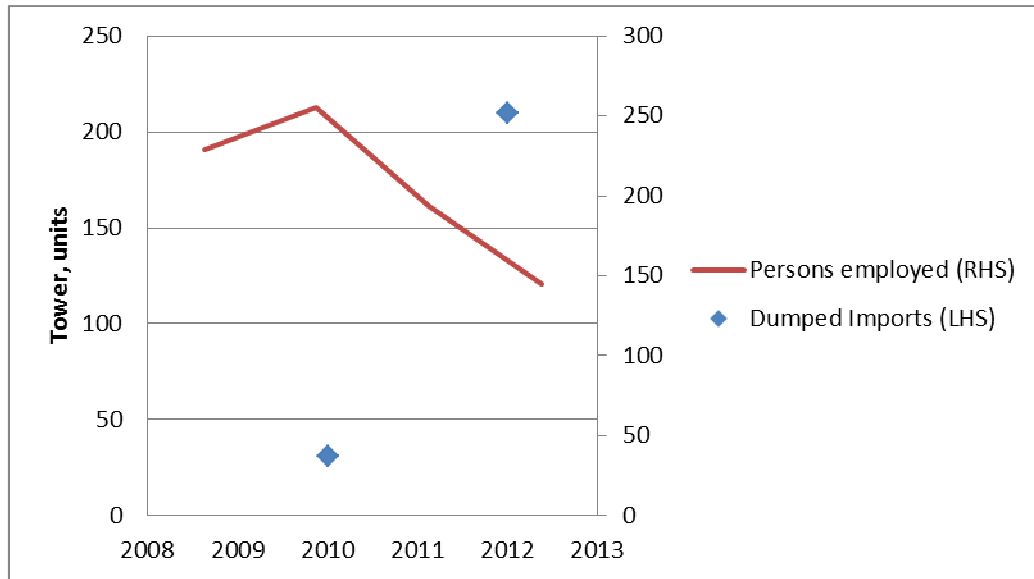


Diagram A-9.4.2 Relationship between Australian industry employment numbers and volume of dumped imports since January 2008 (Source: appendices A2 and A7)

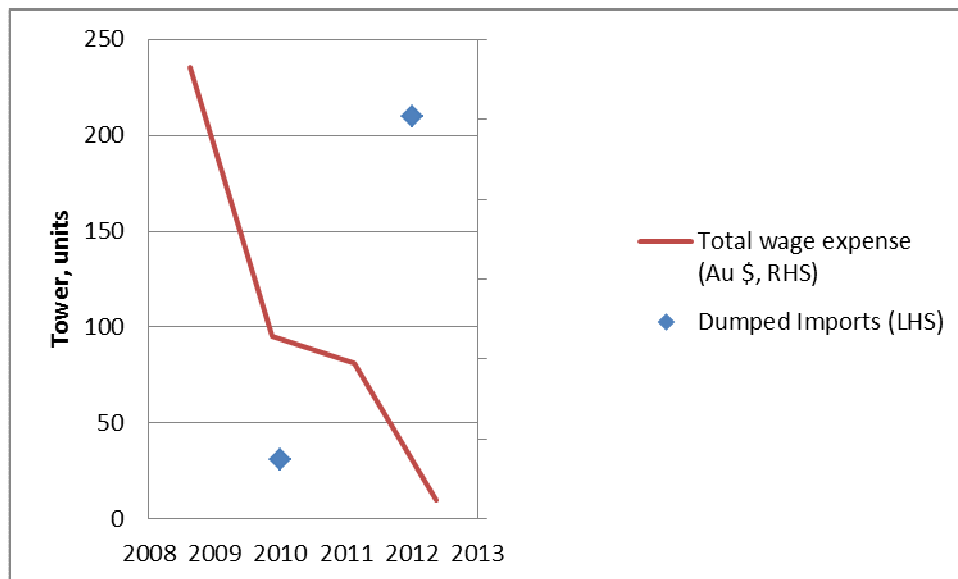


Diagram A-9.4.3 Relationship between Australian industry wages paid for the production of like goods and volume of dumped imports since January 2008 (Source: appendices A2 and A7)

Diagram A-9.4.4 illustrates the relationship between the entry and growth of dumped imports in the Australian market since 2010 and the overall decline in assets invested in the production of Australian like goods. The recovery in the value of assets invested in 2012 indicates the improvement in volumes of production for the Australian industry in 2012 when compared to 2010. However, the magnitude of that recovery is constrained by the volume of dumped imports in 2012.

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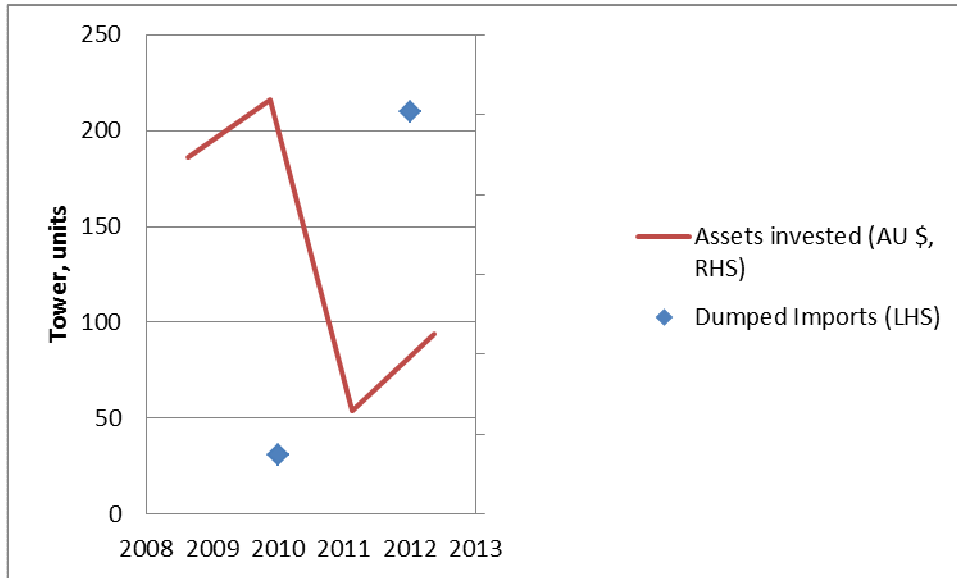


Diagram A-9.4.4 Relationship between Australian industry assets invested in the production of like goods and volume of dumped imports since January 2008 (Source: appendices A2 and A7)

5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.

(a) Price depression and suppression

The Australian industry has suffered both price depression and price suppression since 2010.

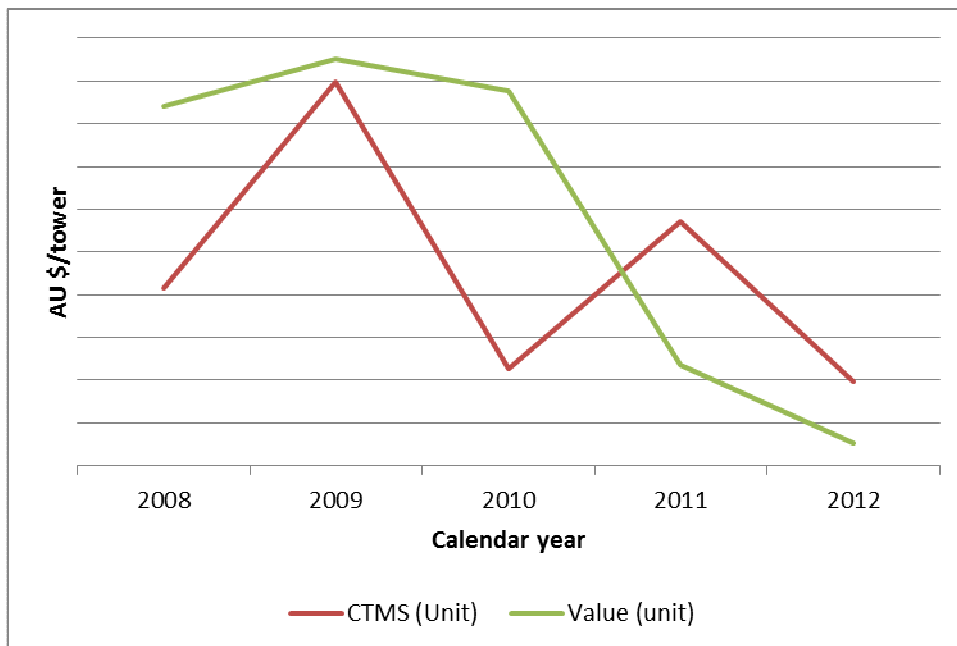


Diagram A-9.5.1 Relationship between Australian industry unit selling prices and unit cost to make and sell since January 2008 (Source: appendix A6.1)

Price depression occurs when an industry for some reason, lowers its prices.

In this case, the Australian industry producing utility scale wind towers responded to the price signals of importers of dumped goods, by lowering its price since 2010. This trend is displayed in diagram A-9.5.1 (above). If current (2012) unit prices are compared to the prices obtained by the Australian industry prior to the import of dumped goods, namely 2009, then the Australian industry has experienced price depression by a magnitude of 33%.

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Dumped goods have caused the price depression experienced by the Australian industry as follows:

- The Australian industry responded to import price signals in its tenders for the Gunning (NSW) Wind Farm (refer **Confidential Attachment A-9.5.1**). The Australian industry undercut their final offer price by [REDACTED] % (refer **Confidential Attachment A-9.5**). The Project was awarded to the Korean supplier, Dongkuk S&C Co., Ltd. The undercutting was in response to clear price signals from the customer that the Australian industry's prices were not internationally competitive:

"[REDACTED]"

"[REDACTED]"

[REDACTED] [Price indications based on global benchmarking] (refer **Confidential Attachment A-9.5.1**)

Although there were no dumped imports in 2011, suppliers of dumped imports continued to compete in the Australian market. The Australian industry benchmarked its prices against price competition from dumped import sources. In each of the following projects, the Australian industry responded to import price signals:

- The Bluff Wind Farm (SA), 26 towers;
- Woodlawn Wind Farm (ACT), 16 towers;
- Macarthur Wind Farm (Victoria), 140 towers (refer **Confidential Attachment A-9.5.2**, where the Australian industry was repeatedly asked to provide "better offers", in light of the success of Dongkuk S&C Co., Ltd in the Gunning Wind Farm project.

Although it won each supply contract in 2011, the Australian industry engaged in significant price undercutting in order to compete with the dumped import prices (refer **Confidential Attachment A-9.5**).

For example in The Bluff Wind Farm project, the Australian industry undercut its prices by [REDACTED] % to compete with dumped import price competition. In the case of the Macarthur Wind Farm project, the Australian industry undercut its prices by [REDACTED] % to compete (refer **Confidential Attachment A-9.5**).

In 2012, the Australian industry continued to undercut its prices to compete with dumped import price competition. The Australian industry benchmarked its price offers against dumped import prices in the following projects:

- Morton's Lane Wind Farm (Hamilton, VIC), 13 towers (refer **Confidential Attachment A-9.5.3**), where the Australian industry feared that they would lose the order to Chinese supplied utility scale wind towers, given the Chinese ownership of the customer, Goldwind, [REDACTED]:

"[REDACTED]"

- [REDACTED] (refer Confidential Attachment A-9.5.3) [price indication].

- Musselroe Wind Farm (TAS), 53 towers won by Haywards (refer **Confidential Attachment A-9.5.4**) and **Confidential Attachment A-9.5.4(a)**, specifically, the customer, [REDACTED]:

"[REDACTED]"

"[REDACTED]"

[REDACTED]"

"[REDACTED]"

[REDACTED]"

"[REDACTED]". [evidence of undercutting]

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- Gullen Range Wind Farm (NSW), 73 towers (refer Confidential Attachment A-9.5.5);
- Snowtown II Wind Farm (SA), 90 towers; and
- Mt Mercer Wind Farm (Ballarat, VIC), 64 towers (refer Confidential Attachment A-9.5.6).

In response to price signals from dumped import price competition, the Australian industry undercut its prices by [REDACTED] % in the Morton's Lane Wind Farm project, and was in turn undercut by [REDACTED] % in the Gullen Range Wind Farm project, where it lost 77% of the volume of that project to towers export from China. In the case of the Snowtown II Wind Farm project the Australian industry undercut its prices by [REDACTED] %, and lost 78% of the volume of that project to towers exported from China. In the case of Mt Mercer Wind Farm project, the Australian industry undercut prices by [REDACTED] % and lost the entire volume of that project to towers exported from Korea (refer Confidential Attachment A-9.5).

In terms of price suppression, the Australian industry was able to maintain profitability on its sales of utility scale wind towers until 2011, notwithstanding declining prices. This was possible due to declining input costs, in particular steel plate costs. However, the magnitude of price undercutting in 2011, was so significant that profit could no longer be maintained, and as a result the Australian industry commenced making losses in 2011. The Australian industry's loss making position was so material, that in 2012, one Australian industry member entered into voluntary administration (RPG Australia), resulting in the cessation of production and the loss of production capacity for the Australian industry.

Conclusion – price depression and suppression

It is submitted that the extent of price suppression and price depression caused by dumping and suffered by the Australian industry was so material, that it led to the insolvency of one Australian industry member.

(b) Volume effects

The Australian industry has experienced a loss of sales volume. The Australian industry's sales volume over the injury analysis period is displayed in diagram

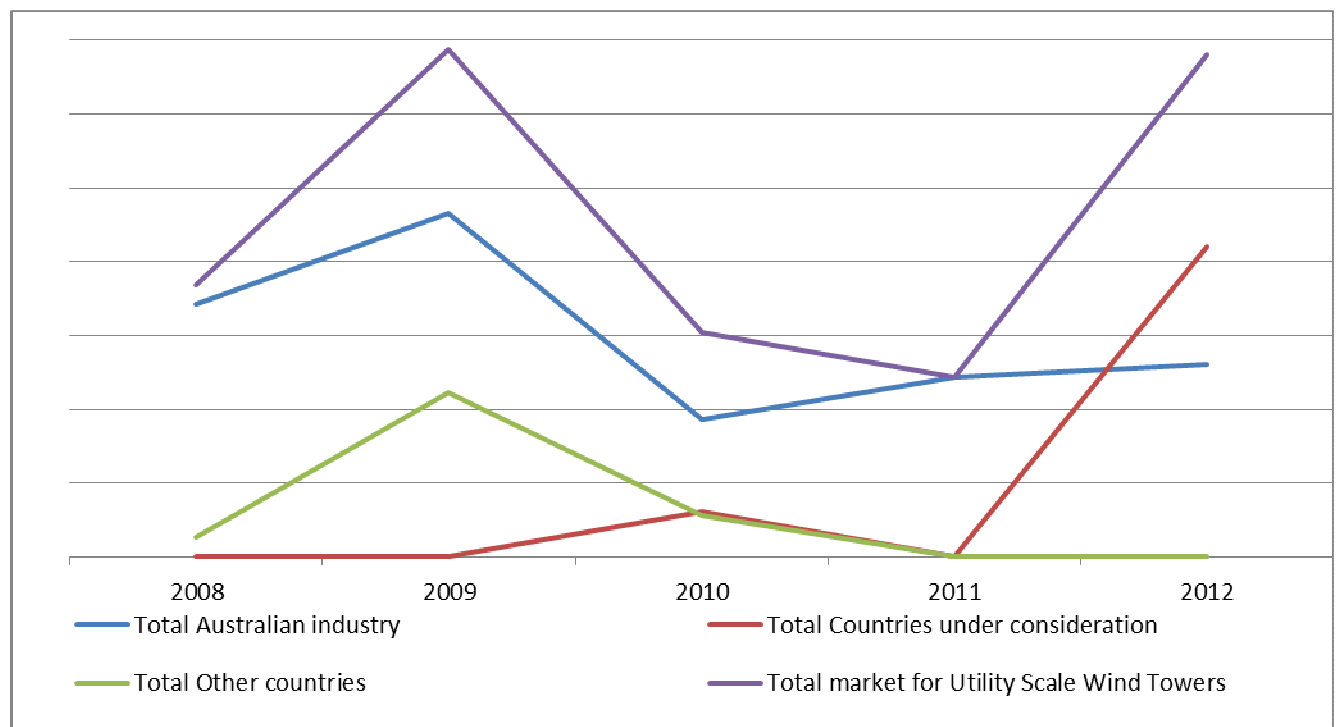


Diagram A-9.5.1 Australian market for utility scale wind towers since January 2008, by source and sales volume (towers)
(Source: appendix A2)

The analysis of this diagram shows Australian industry's sales of domestically manufactured utility scale wind

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towers decreased in 2010 before recovering in 2011, albeit below its record levels in 2009. In 2012 sales volume again recovered slightly, notwithstanding the growth in the overall Australian market to near record levels in 2012. Overall, this represents a decline of 44% in the volume of the Australian industry's sales of domestically manufactured utility scale wind towers between 2009 and 2012.

Volumes of sale of imports from the countries under consideration first appeared during the injury analysis period in 2010, before increasing exponentially in 2012, to closely match the increase in the overall Australian market in that year.

Volumes of sales of imported utility scale wind towers from countries not under consideration (Other countries) increased in 2009, before declining in 2010, and then completely exiting the Australian market in 2011 and 2012.

Conclusion – sales volume

It is submitted that the extent of sales volume injury caused by dumping and suffered by the Australian industry is material, i.e. loss of 44% of sales volume between 2009 and 2012, compared to 84% gain in volume by sales of the goods under consideration across the injury analysis period (2008 – 2012).

(c) Loss of market share

Diagram A-9.1.3, above (reproduced below) illustrates market share for Australian industry, imports from the countries under consideration, and imports from other countries in relation to utility scale wind towers.

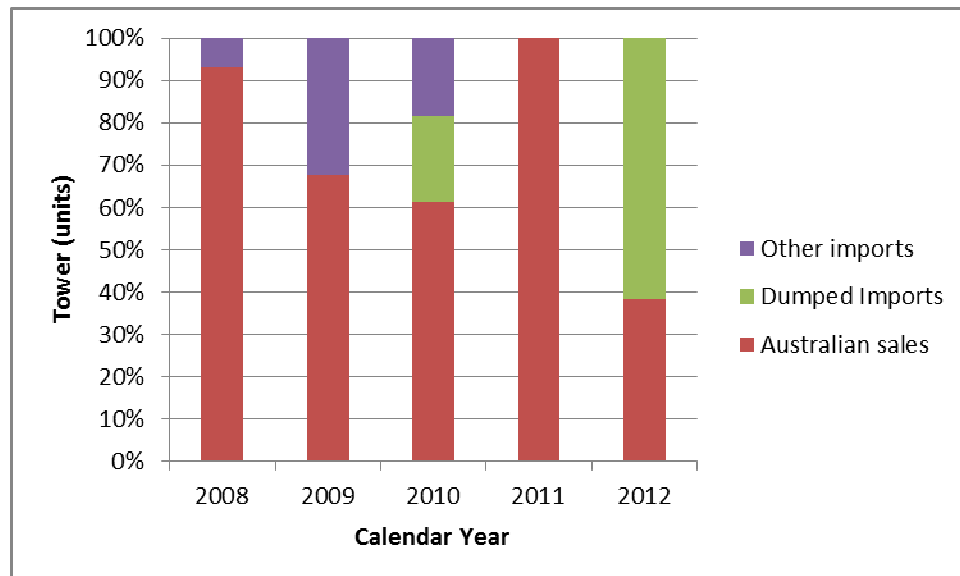


Diagram A-9.1.3 (reproduced) Australian market share by source since January 2008 (Source: appendix A2)

Diagram A-9.1.3 displays that Australian industry's market share decreased in 2009, decreased further in 2010. Following a return to 100% in 2011, the Australian industry suffered a material loss of market share in 2012, namely the Australian industry experienced a 59% decline in market share from 93% market share in 2008, to 38% in 2012.

The countries under consideration first gained market share during the injury analysis period in 2010, representing 20% of the Australian market. In 2011, the imports from the countries under consideration lost market share, before gaining 62% of the Australian market in 2012.

The market share for other countries increased in 2009, before declining in 2010. The market share for other countries was lost in 2011 and 2012.

Conclusion – market share

The 59% decrease in market share by the Australian industry across the injury analysis period caused by dumping is material. Dumped imports from the countries under consideration have gained the market share lost

by the Australian industry.

(d) Profit effects

Diagram A-9.5.2 illustrates the movements in total profits and profitability of the Australian industry over the injury analysis period.

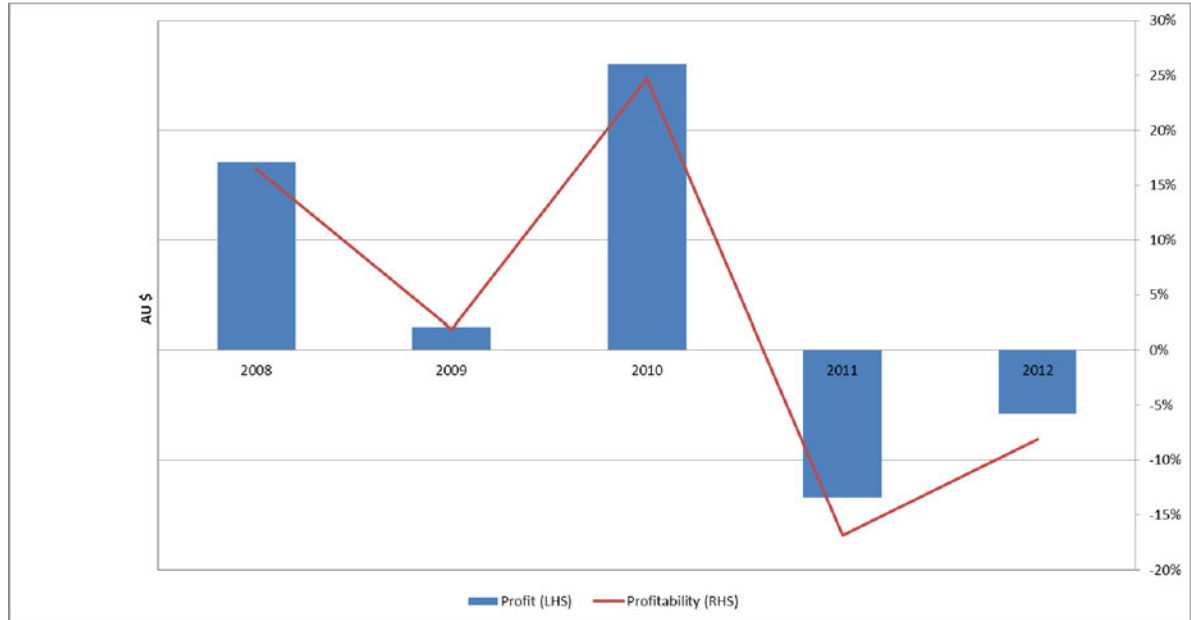


Diagram A-9.5.2 Australian industry total profit and profitability since January 2008 (Source: appendix A6.1)

Diagram A-9.5.2 (above) shows that the Australian industry's total profit and profitability were positive until 2010 before falling to a position of being unprofitable in 2011, and further unprofitable in 2012.

Conclusion – profit and profitability

It is submitted that the 139% decrease in total profits to the Australian industry across the injury analysis period (with a 131% decrease between 2010 and 2011), is material.

6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.

(a) Appreciation of the Australian dollar

Diagram A-9.6.1 (below) illustrates the Australian dollar against the United States dollar across the injury analysis period. In summary, the Australian dollar has appreciated by 18% across the period.

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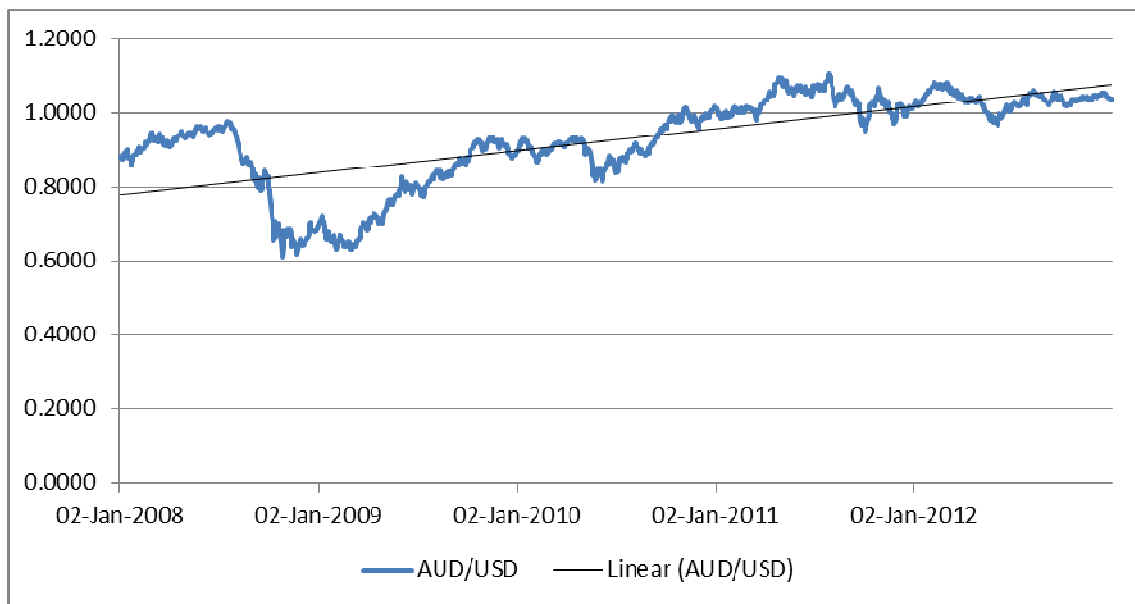


Diagram A-9.6.1 Daily AUD/USD exchange rates from 2 January 2008 to 31 December 2012
(Source: <http://www.rba.gov.au/statistics/hist-exchange-rates/index.html>)

The Australian industry accepts that the strong Australian dollar has made imported utility scale wind towers more affordable (assuming all other factors remained the same). However, in the context of utility scale wind towers exported to Australia from China and Korea at dumped prices, the strong Australian dollar has served to amplify the increased affordability arising from the dumped export prices.

Indeed, if the strong Australian dollar was the only factor affecting the affordability and price competitiveness of imported utility scale wind towers, then the Australian industry would expect to see strong gains in market share from other import sources. However, imports from “other countries” have declined since their peak in 2009, to a complete exit from the Australian market in 2011. Clearly the impact of the strong Australian dollar does not detract from the submission that dumping has caused material injury to the Australian industry.

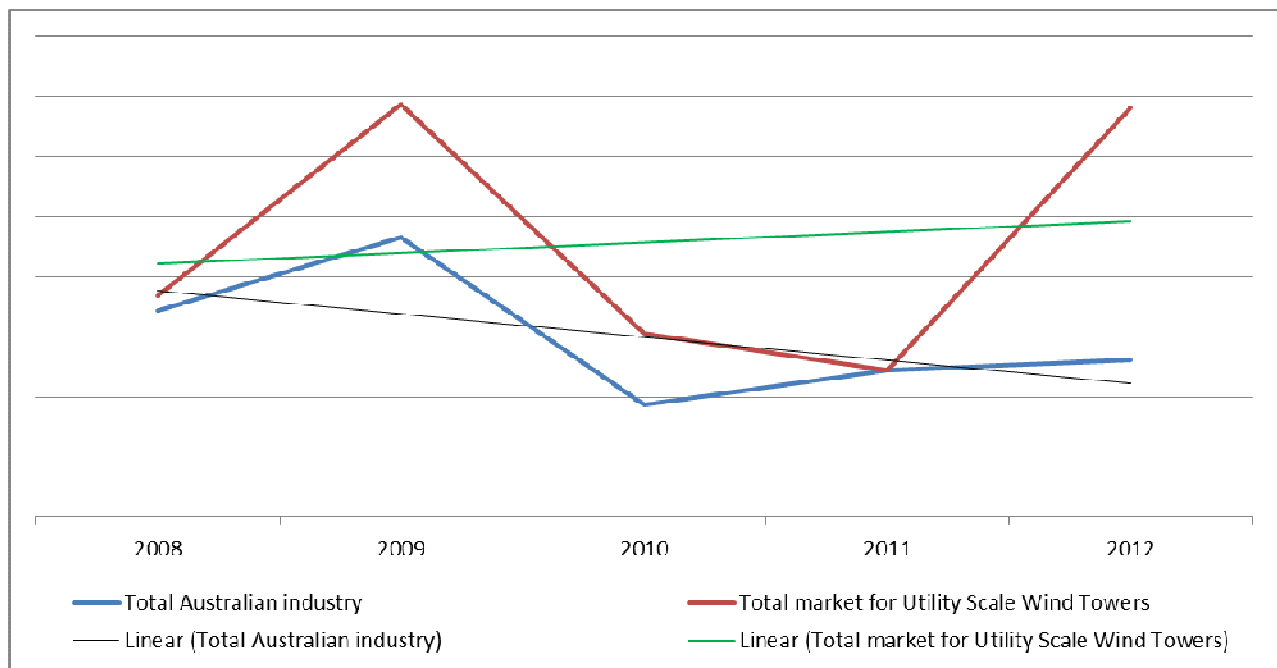
(b) Contraction in market size

The demand for the supply of utility scale wind towers in the Australian market is driven by government renewable energy policy, in particular the supply of renewable energy certificates (RECs), thereby reducing returns on renewable energy supplies. This was observed in 2010 and 2011, where the size of the Australian market contracted.

Notwithstanding the contraction in the size of the Australian market, the Australian industry lost market share to dumped imports from the countries under consideration in 2010, but recovered market share in 2011, through significant price undercutting, before again losing market share in a growing market in 2012.

Therefore, although the contraction in the size of the Australian market in 2010 and 2011 may partly explain the loss of market volume in 2010, the Australian industry submits that the loss of market volume was greater than it would otherwise have been in the absence of dumped imports. This is reflected in the gain in market share in 2011, and the improvement in sales volume in that year with the removal of dumped imports from the market. Diagram A-9.6.2 illustrates this relationship and the overall sales volume trend for the Australian industry.

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*Diagram A-9.6.2 Australian market size and Australian industry sales volume since January 2008
(Source: appendix A2)*

The materiality of the volume loss suffered by the Australian industry in 2012 is also illustrated by diagram A-9.6.2, where notwithstanding a 180% increase in the size of the Australian market in 2012 (from 2011), the Australian industry's market share in 2012 actually declined by 62% (2011 to 2012).

The independence of the loss of sales volume by the Australian industry to any alleged contraction in the size of the Australian market is further confirmed by the comparison in the trend lines appearing in diagram A-9.6.2. Whereas the overall market size remains stable, with only a slight decline (due to the contraction in 2010 and 2011), the decline in the trend line for the Australian industry is severe.

(c) Qualification to supply

Generally, suppliers are asked to respond to an RFQ (Request For Quote) which outlines the goods' specifications, project details, offer and service requirements after receiving tower drawings.

If the quotation is preferred, there would generally be a manufacturing site visit from the OEM customer's quality team, followed by an initial audit should discussions go as planned.

If a manufacturer wins a project, the OEM customer would normally send a quality team to spend an initial period to work with the manufacturer to the point of "first article inspection", and should this be successful withdraw some of these quality personnel.

After a period of consecutive successful tower supply projects with individual OEM customers, and passing all associated audits, sometimes a client will provide a certificate of preferred supplier status. This would normally reflect that the tower supplier should become a preferred supplier for local projects over other non-qualified suppliers.

Other OEMs establish a formal supplier pre-qualification audit process to become an accredited supplier, which must be achieved before an order is provided, and which is conducted through several audits conducted over a number of months, sometimes whilst manufacturing a tower section. The Australian industry has some experience with these prequalification processes, timeframes and related standards, suddenly changing so that a previously pre-qualified Tower manufacturer, is no longer pre-qualified and must start a new Tower supply pre-qualification process.

To date, the applicants and RPG Australia (during its operation) has always satisfied the prequalification standards of its OEM clients for quoted Australian wind farm projects. Accordingly, the applicants submit that the issue of qualification has never been a factor causing it not to be awarded a project.

Conclusion

The Australian industry submits that these factors other than dumping do not detract from the conclusion that material injury is based on the price, volume and profit factors caused by the dumped imports.

- 7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.**

Dumping is likely to continue from the nominated countries. This is evidenced by the latest price offers in relation to the Taralga Wind Farm project where the Australian industry has had to undercut its price offers by a further [REDACTED] % to win the tender against quotes by the Chinese supplier, Titan Wind Energy Suzhou Co Ltd (refer **Confidential Attachment A-9.5**).

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Customs Dumping Liaison Unit on:

 **(02) 6275-6066** Fax **(02) 6275-6990**

B-1 Source of exports.

1. Identify the country(ies) of export of the dumped goods.

The countries exporting the allegedly dumped goods include the People's Republic of China and the Republic of Korea.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

It is the Australian industry's understanding that the country of export is also the country of origin of the imported goods.

3. If the source of the exports is a non market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Both of the countries of export nominated in this application are considered market economy countries for the purposes of Australia's anti-dumping legislation.

4. Where possible, provide the names, addresses and contact details of:

• **Producers/exporters of the goods exported to Australia;**

The Australian industry understands that the following nominated companies are both producers and exporters of the GUC to Australia

P. R. China

Shanghai Taisheng Wind Power Equipment Co., Ltd. (trading as TSP)
1988 East Weiqing Road
Jinshanzui Industrial District, Jinshan District
Shanghai 201508
P.R. China
Phone: +86 21 5724-5661
Fax: +86 21 5724-5664
Web: www.shtspchina.com

Titan Wind Energy (Suzhou) Co Ltd
No. 28 Ningbo East Road Economic Development Zone
TAICANG, JNG 215400
P. R. China
Phone: +86 512 8160 7016
Fax: +86-512 5359 8666
Web: www.titanmetal.com.cn

South Korea

CS Wind Corporation
4th Floor, Baekseok Daehak Building
1519 Sungjung-Dong
Seobuk-gu
Cheonan-City, 331-978
South Korea
Phone: +82 4 1901 1800
Fax: +82 4 1901 1999
Web: www.cswindcorp.com

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Win&P., Ltd
83-6, Yangjae-dong,
Seocho-gu,
SEOUL, 137-130
South Korea
Phone: + 82-2-2040-1813
Fax: + 82-2-2051-5804
Web: www.winnp.co.kr

- **importers in Australia.**

The following companies are understood to be importers of the GUC into Australia from the nominated exporting countries:

ACCIONA ENERGY OCEANIA PTY LTD
ABN 98 102 345 719
Level 12, 2 Southbank Boulevard
Southbank VIC 3006
Phone: +61 3 9027 1000
Fax: +61 3 9027 1001
Web: www.acciona.com.au

Goldwind Australia Pty Ltd
ABN 32 140 108 390
Suite 2, Level 23, 201 Elizabeth Street,
Sydney NSW 2000
Australia
Phone: 1300 854 167
Web: www.goldwindglobal.com

Siemens Ltd
ABN 98 004 347 880
885 Mountain Highway
Bayswater VIC 3153
Australia
Phone: +61 3 9721 2000
Fax: 1300 360 222
Web: www.siemens.com

REPOWER AUSTRALIA PTY LTD
ABN 70 149 671 081
Level 29, 80 Collins Street
Melbourne VIC 3000
Australia
Phone: +61 3 8660 6555
Fax: +61 3 8660 6500
Web: www.repower.com.au

CBD ENERGY LIMITED
ABN 88 010 966 793
Suite 2, Level 2, 53 Cross Street
Double Bay NSW 2028
Australia
Phone: +61 2 8069 7970

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Fax: +61 2 9363 9955
Web: www.cbdenergy.com.au

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

No meaningful import data for utility scale wind towers is available from the Australian Bureau of Statistics (ABS) because the tariff classification applicable to the goods the subject of this application is too broad. As such, import data from the two countries nominated in this application are not available from the ABS.

The Australian industry has obtained the following import trade data from its market intelligence.

Import volumes from the two countries the subject of this application since 2008 are as follows:

Year	China	Korea	Vietnam	Indonesia	Other	Total
2008			13			13
2009			111			111
2010		31		22	6	59
2011						
2012	146	64				210

Table B-1.5.1 Import volumes (towers) by country

Year	China	Korea	Vietnam	Indonesia	Other	Total
2008			100%			100%
2009			100%			100%
2010		53%		37%	10%	100%
2011						100%
2012	70%	30%				100%

Table B-1.5.2 Import volumes by country expressed as percentage of total imports

Import volumes from each of the two countries the subject of this application during 2012 exceed the 3 per cent *de minimus* requirement.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.

This application is not an application for countervailing measures.

B-2 Export price

1. Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.

As indicated above, ABS import data by country for the imported goods is not available due to the broad tariff classification applicable.

The Australian industry has included FOB values for the imported goods in Confidential Appendix B1 based on deductive export values derived from market prices disclosed by customers.

Export FOB prices during 2012 from the two nominated countries were as follows:

CHINA (FOB AUD)
KOREA (FOB AUD)

per tower
per tower

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Notes: The evidence relied upon is contained in Confidential Appendix B1.

2. Specify the terms and conditions of the sale, where known.

The Australian industry applicants understand that the sales are on a delivered to site basis. Therefore, the terms are FIS.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

As indicated above, the Australian industry does not consider published export price as adequate. Therefore, the Australian industry has used deductive export prices when calculating prima facie dumping margins (refer Confidential Appendix B1 for deductive export price calculations).

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

The Australian industry has relied on deductive export prices for China and Korea when calculating prima facie dumping margins for utility scale wind towers. Evidence to show how these export prices were calculated and the sources of the data have been included at Confidential Appendix B1.

B-3 Selling price (normal value) in the exporter's domestic market.

1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

The applicants have attempted to obtain domestic selling prices for the goods the subject of this application in each of the exporting countries. Domestic selling prices are not readily available from published sources and/or industry publications.

Further, in the case of China, the applicants consider that domestic selling prices for utility scale wind towers are artificially low and cannot be relied upon for demonstrating *prima facie* dumping margins.

The applicants are familiar with the Customs and Border Protection investigation in respect of certain hollow structural sections of steel (HSS) exported from China (refer *International Trade Remedies Branch*, Final Report No. 177, 7 June 2012). In that case the responsible Minister accepted the recommendation of Customs and Border Protection that the selling prices for HSS sold in China were not suitable for the purpose of determining normal values on the basis that a "particular market situation" for HSS sold in China existed.

The applicants are further familiar with the application of Bluescope for dumping duties for hot rolled plate steel exported from China, Indonesia, Japan, Korea and Taiwan, which is currently subject to an investigation (refer ACDN 2013/18). In that application, Bluescope claimed that plate steel prices in China are significantly lower than global plate steel prices. Bluescope presented evidence in support of that contention, which Customs and Border Protection accepted as providing reasonable grounds, at the application consideration stage, for claiming that Chinese domestic selling prices for plate steel are not suitable for determining normal values under subsection 269TAC(1) of the *Customs Act 1901* (the Act) (refer *International Trade Remedies Branch, Consideration Report 198, February 2013, p. 28*)

As plate steel is the major raw material input into the production of utility scale wind towers, and contributes at least 50% to the cost to make the goods, the applicants consider that domestic selling prices for utility scale wind towers in China are artificially low due to government influence on raw material prices (i.e. plate product produced from hot rolled coil, coking coal and/or coke and scrap steel), and that selling prices for utility scale wind towers are therefore unsuitable for establishing normal values under subsection 269TAC(1) of the Act. The applicants note Customs and Border Protection's conclusion:

"...that the GOC [Government of China] has exerted numerous influences on the Chinese iron and steel industry, which are likely to have materially distorted competitive conditions within that industry and affected

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the supply of HSS, HRC, narrow strip and upstream products and materials” (*International Trade Remedies Branch, report No. 177, p. 166*) (emphasis added).

Accordingly, the applicants submit that the goods the subject of this application, utility scale wind towers, is also a product affected by the GOC distortions within the Chinese steel industry as it is a downstream product produced from steel plate, as an upstream product..

The applicants submit that the GOC has heavily influenced the Chinese domestic market for utility scale wind towers through the following programs identified by Customs and Border Protection in Report No. 177:

1. Structural adjustment

The program of structural adjustment by the GOC to the Chinese iron and steel industry has been promulgated through the following policies and programs:

- The *National Steel Policy* (Report No. 177, p. 118-9);
- National and regional *Five-Year Plans* and guidelines (Report No. 177, p. 121-3); and
- *BluePrint for Steel Industry Adjustment and Revitalisation* (Report No. 177, p. 124).

The supply and price of utility scale wind towers would have been influenced by reducing the prices of the factors of production of utility scale wind towers including the price of raw material steel slab/HRC, which in turn influences the price of plate steel for use in the production of utility scale wind towers.

2. Guiding industry mergers and restructuring

The applicants note Customs and Border Protection's observance of the improved concentration of Chinese iron and steel producers through mergers and acquisitions that are aimed at achieving the GOC's objective of the top 10 producers accounting for 70 per cent of production by 2010. In Report No. 177, Customs and Border Protection noted that:

“As one of the engines of the domestic iron and steel industry, Baosteel has been taking an active part in the reorganisation of the industry in accordance with the national policies on iron and steel by way of various capital operations including acquisition, merging and transfer for free. Baosteel has quickly enlarged its production scale, and strengthened its comprehensive power, enhancing its core competitive power” (at p. 147).

Customs and Border Protection further noted that:

“there is evidence to determine that significant restructuring of the Chinese iron and steel industry has been (and is still) occurring, and that this is led by, monitored and encouraged by the GOC (and certain evidence exists to display that this restructuring is in fact GOC-mandated and directed). It is considered that this restructuring has occurred as a result of factors other than basic market forces (i.e. government influence)” (*Report No. 177, at p. 148*).

Customs and Border Protection's conclusion is clear in Report No. 177, the GOC has directed the restructuring of the Chinese iron and steel industry. It is submitted that this was achieved via the implementation of the GOC's *Eleventh Five-Year Plan*, and its *Twelfth Five-Year Plan*, the *National Steel Policy* and the *Revitalisation Program*.

3. Export measures on coke

In Report No. 177, Customs and Border Protection examined export tariffs, export quotas and tariffs and certain export measures applicable to coke and coal. Customs and Border Protection also reflected on the recent Reports of the WTO appellate Body, China – Measures Related to the Exportation of Certain Raw Materials (DS394, 395 and 398).

Customs and Border Protection commented that the measures on coke “that appear to be consistent with the NSP (National Steel Policy) to restrict coke and the aim of the 2009 Revitalization Plan to Continue on policy orientation of controlling export of ‘two high, one resource’ and low value-added

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goods” (Report No. 177, p. 152).

In Report No. 177, Customs and Border Protection concluded that the increased supply of coke in China “could reasonably be considered to have resulted in decreased prices” for coke in China.

Customs and Border Protection referred to publicly available information that confirmed:

- coke represents a significant proportion (over 20 per cent) of the cost of cast steel (being first used to smelt iron, and this iron is then used to produce steel);
- steel represents the major cost of HRC; and
- verified information on Chinese exporters shows that HRC and/or narrow strip represents in excess of 90 per cent of the total cost to make HSS (Report No. 177, at p. 163).

It was determined that the cost of coke represented a significant proportion of the cost of the HRC or narrow strip, and therefore the HSS.

For plate steel manufactured in China, the steel slab accounts for approximately 80 per cent of the production costs.

In Australia, plate steel accounts for approximately 50 per cent of the production costs of utility scale wind towers, although this percentage is expected to be higher in China. Therefore, the applicants submit that the export restrictions on coke in China contributed to lower costs for inputs in the steel-making process, resulting in lower steel slab and plate steel manufacturing processes, and therefore, lower selling prices for utility scale wind towers.

4. *Subsidisation*

The Australian industry refers to the findings of Customs and Border Protection in Report No. 177 where it concluded that the provision of steel raw material products in the production of HSS at less than adequate remuneration. This was identified as program 1. It is submitted that the raw materials that benefit from less than adequate remuneration, are also inputs into the production of utility scale wind towers.

Quite apart from the promulgation of the above policies targeted at the Chinese iron and steel industry, in Report No. 177, Customs and Border Protection also recognised the direct imposition of these policies by the GOC. In referring to the Law of the People’s Republic of China on the State-Owned Asset Enterprises, the following was observed:

“A state-invested enterprise making investment shall comply with the national industrial policies, and conduct feasibility studies according to state provisions; and shall conduct a transaction on a fair and paid basis, and obtain a reasonable consideration” (at p. 154)

As such, the applicants have established normal values using the alternate constructed price methodology.

The applicants consider that conservative assumptions have been relied upon to present constructed selling prices. Similarly, raw material prices have been obtained from independent sources to ensure maximum independence of the constructed selling prices.

2. **Specify the terms and conditions of the sale, where known.**

The terms and conditions of the sales of utility scale wind towers in China and Korea are not known to the applicants.

3. **Provide supporting documentary evidence.**

Refer **Confidential Appendices B2.1 and B2.2.**

4. **List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.**

NON CONFIDENTIAL

No other sellers of like goods in the domestic markets of the nominated exporting countries are known to the applicants

B-4 Estimate of normal value using another method.

1. **Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).**

The applicants have constructed normal values based on the timing of the equivalent export sales driving the deductive export price calculation for each of the nominated countries.

Nominated country	Project (used to determine deductive export price)	Timing	Constructed Normal Value (AUD/tower)
China	Gullen Range (NSW)	July 2012	AUD [REDACTED]
Korea	Mt Mercer (VIC)	September 2012	AUD [REDACTED]

2. **Provide supporting documentary evidence.**

Please refer to Confidential Appendices B2.1 and B2.2 for constructed selling price data for each of the nominated countries of export.

B-5 Adjustments.

1. **Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.**

The constructed selling prices for the like goods sold into the domestic markets of the nominated countries have been determined at the FOB level.

2. **State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.**

No further adjustments are required to be made.

B-6 Dumping margin.

1. **Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).**

	July 2012 (Gullen Range, NSW) market pricing	September 2012 (Mt Mercer, VIC) market pricing
China		
Normal value	[REDACTED]	
Export price	[REDACTED]	
Dumping Margin	[REDACTED]	
% of Export Price	43.84%	
Korea		
Normal value		[REDACTED]

NON CONFIDENTIAL

Export price		
Dumping Margin		
% of Export Price		67.61%

2. Show dumping margins as a percentage of the export price.

The dumping margins in 2012 (based on contemporaneous timing to the applicable export sales on which deductive export values are calculated), as a percentage of export price have been determined as follows:

China – 43.84%

Korea – 67.61%

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

You should contact the Customs Dumping Liaison Unit before answering any question in this part:

 **(02) 6275-6066** Fax **(02) 6275-6990**

C-1 Subsidy

1. **Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:**
 - (i) **the nature and title of the subsidy;**
 - (ii) **the government agency responsible for administering the subsidy;**
 - (iii) **the recipients of the subsidy; and**
 - (iv) **the amount of the subsidy.**

This application is based upon the alleged dumping of the goods the subject of this application. It is not a countervailing application, so this question is not applicable.

C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. **Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:**
 1. **the rate of increase of dumped/subsidised imports;**
 2. **changes to the available capacity of the exporter(s);**
 3. **the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**
 4. **inventories of the product to be investigated; or**
 5. **any other relevant factor(s).**

This application by the Australian HSS industry is not based upon a threat of material injury from dumped imports of the goods the subject of the application.

This application details how the Applicant industry has suffered material injury caused by the allegedly dumped exports from China and Korea. The application also indicates that in the absence of anti-dumping measures, further material injury is likely to result from dumped exports of the goods the subject of the application from each of the two nominated countries.

2. **If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.**

Data included at Section A-9.2 above indicates that the Australian industry has lost more than 59% per cent market share since 2008. The countries the subject of this application have captured the entire proportion of the market share lost by the Australian industry and other imports.

In the absence of anti-dumping measures it is considered that future lost market share, along with a further diminution in industry profitability (as evidenced in 2012), is both foreseeable and imminent.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods may form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Dumping Liaison Unit before completing this section ☎ (02) 6275-6066 Fax (02) 6275-6990.**

1. **Fully describe the locally produced raw agricultural goods.**

NON CONFIDENTIAL

The goods the subject of this application are not close processed agricultural goods. This section does not apply to the goods.

2. **Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.**

Not applicable.

3. **Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.**

Not applicable.

4. **Provide information to establish either:**

- **a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or**
- **that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.**

Not applicable.

C-4. Exports from a non-market economy

1. **Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.**

The countries the subject of this application, China and Korea, are considered to be 'market economy' countries for the purposes of Australia's anti-dumping legislation.

2. **Nominate a comparable market economy to establish selling prices.**

Please refer to Section C-4.1 above.

3. **Explain the basis for selection of the comparable market economy country.**

Please refer to Section C-4.1 above.

4. **Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.**

Please refer to Section C-4.1 above.

C-5 Exports from an 'economy in transition'

1. **Provide information establishing that the country of export is an 'economy in transition'.**

The countries nominated in this application are not considered "economy-in-transition" countries for the purposes of Australia's anti-dumping legislation. This question is therefore not applicable.

2. **A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.**

NON CONFIDENTIAL

This question is not applicable to the goods the subject of this application.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

This question is not applicable to the goods the subject of this application.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

This question is not applicable to the goods the subject of this application.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B.1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Total				

Each of the two countries the subject of this application each account for more than 3 per cent of total import volume. Please refer to Section B-1.5 above.

NON CONFIDENTIAL

APPENDICES

Appendix A1	Australian Production – Prepared on behalf of the Australian industry in aggregate form.
Appendix A2	Australian Market – Prepared on behalf of the Australian industry in aggregate form.
Appendix A3	Sales Turnover – Supplied individually by the applicant companies and RPG Australia
Appendix A4	Domestic Sales - Supplied individually by the applicant companies
Appendix A5	Not applicable
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales - Supplied individually by the applicant companies and RPG Australia
Appendix A7	Other Injury Factors - Supplied individually by the applicant companies and RPG Australia
Appendix A8	Authority to Deal With Representative – Supplied by each of the applicant companies.

ATTACHMENTS

CONFIDENTIAL ATTACHMENT A-2.1(a)

Grasmere Wind Farm Project –Project - Dates

CONFIDENTIAL ATTACHMENT A-2.2.1

INTERNAL ORGANISATION CHART OF A.C.N. 009 483 694 PTY LTD

CONFIDENTIAL ATTACHMENT A-2.2.2

INTERNAL ORGANISATION CHART OF KEPPEL PRINCE ENGINEERING PTY LTD

CONFIDENTIAL ATTACHMENT A-2.9.1

ANNUAL REPORTS OF A.C.N. 009 483 694 PTY LTD *for* FY 2008 - 2012

CONFIDENTIAL ATTACHMENT A-2.9.2

ANNUAL REPORTS OF KEPPEL PRINCE ENGINEERING PTY LTD *for* FY 2008 - 2012

CONFIDENTIAL ATTACHMENT A-2.9.3

ANNUAL REPORTS OF RPG AUS ADMINISTRATION PTY LTD (IN LIQ) *for* FY 2008 - 2012

NON-CONFIDENTIAL ATTACHMENT A-4.2

AUSTRALIAN WIND FARM PROJECTS SINCE 2000

CONFIDENTIAL ATTACHMENT A-5.1

Wind Farm Project – Evidence – Project Outcome

CONFIDENTIAL ATTACHMENT A-5.2

Wind Farm Project – Keppel Prince Engineering Pty Ltd – [Nature of evidence]

NON CONFIDENTIAL

CONFIDENTIAL ATTACHMENT A-5.3

Wind Farm Project – Keppel Prince Engineering Pty Ltd - [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.4

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.5

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.6

Wind Farm Project – Evidence – Keppel Prince Engineering - [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.7

Wind Farm Project – Evidence – Keppel Prince Engineering - [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.8

Wind Farm Project – Evidence – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.9

Wind Farm Project – Evidence – Announcement

CONFIDENTIAL ATTACHMENT A-5.10

Wind Farm Project – Evidence – Project proponent

CONFIDENTIAL ATTACHMENT A-5.11

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.12

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.13

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.14

Wind Farm Project – Evidence – Project Outcome

CONFIDENTIAL ATTACHMENT A-5.15

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.16

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.17

Wind Farm Project – m - Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.18

Wind Farm Project – Evidence – – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.19

Wind Farm Project – m - Evidence – Keppel Prince Engineering - [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.20

Wind Farm Project – m - Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.21

NON CONFIDENTIAL

Wind Farm Project – Evidence – Keppel Prince Engineering – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.22

Wind Farm Project – Evidence – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.23

Wind Farm Project – Evidence – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.24

Wind Farm Project – Evidence – [Nature of evidence]

CONFIDENTIAL ATTACHMENT A-5.9.1

COMMERCIAL DOCUMENTS SUPPORTING DOMESTIC SALES BY HAYWARDS DURING THE INJURY ANALYSIS PERIOD

CONFIDENTIAL ATTACHMENT A-5.9.2

COMMERCIAL DOCUMENTS SUPPORTING DOMESTIC SALES BY KEPPEL PRINCE DURING 2012

CONFIDENTIAL ATTACHMENT A-6.3.1

CHART OF ACCOUNTS FOR A.C.N. 009 483 694 PTY LTD

CONFIDENTIAL ATTACHMENT A-6.3.2

CHART OF ACCOUNTS FOR KEPPEL PRINCE PTY LTD

CONFIDENTIAL ATTACHMENT A-9.5

HISTORIC EVIDENCE OF PRICE UNDERCUTTING

CONFIDENTIAL ATTACHMENT A-9.5.1

EVIDENCE OF PRICE UNDERCUTTING – WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT A-9.5.2

EVIDENCE OF PRICE UNDERCUTTING – WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT A-9.5.3

EVIDENCE OF PRICE UNDERCUTTING – LANE WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT A-9.5.4

EVIDENCE OF PRICE UNDERCUTTING – WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT A-9.5.4(a)

Additional evidence of price undercutting – Wind Farm Project

CONFIDENTIAL ATTACHMENT A-9.5.5

EVIDENCE OF PRICE UNDERCUTTING – WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT A-9.5.6

EVIDENCE OF PRICE UNDERCUTTING – WIND FARM PROJECT

CONFIDENTIAL ATTACHMENT B-1.1

Wind Farm Project – Evidence – Project Outcome – [Nature of evidence]

CONFIDENTIAL ATTACHMENT B-1.2(b)

Wind Farm Project – Evidence – Transport – Port to Site

CONFIDENTIAL ATTACHMENT B-1.3

Evidence – AUS – Port Handling Charges

CONFIDENTIAL ATTACHMENT B-1.4

Evidence - Overseas freight charges

CONFIDENTIAL ATTACHMENT B-2.1(a)

Normal Value – China – Steel Costs

CONFIDENTIAL ATTACHMENT B-2.1(b)

Normal Value – Evidence – Chinese Flange Costs

CONFIDENTIAL ATTACHMENT B-2.1(b)(i)

Normal Value – Evidence – Flanges - Quotation

CONFIDENTIAL ATTACHMENT B-2.1(c)

Normal Value – Evidence – China – Labour Hours

CONFIDENTIAL ATTACHMENT B-2.1(d)

Normal Value – Evidence – Chinese – Labour Rates

CONFIDENTIAL ATTACHMENT B-2.1(e)

Normal value – Cost model - Paint

CONFIDENTIAL ATTACHMENT B-2.1(f)

Normal value – Cost model – Mechanical and electrical internals

CONFIDENTIAL ATTACHMENT B-2.1(g)

Normal value – Cost model – China – Inland Freight

CONFIDENTIAL ATTACHMENT B-2.1(g)(b)

Normal value – Evidence - China – Manufacturer - Profit

CONFIDENTIAL ATTACHMENT B-2.1(h)

Normal value – Cost model – Labour hours – Embeds

CONFIDENTIAL ATTACHMENT B-2.2(a)

Normal value – Cost model - Korean – Steel costs

CONFIDENTIAL ATTACHMENT B-2.2(a)(i)

Normal value – Cost model – Korean – Total Steel Plate Costs

CONFIDENTIAL ATTACHMENT B-2.2(b)

Normal value – Korean – Flange - Quote

CONFIDENTIAL ATTACHMENT B-2.2(b)(i)

Normal value – Cost model - Korean – Flange costs

CONFIDENTIAL ATTACHMENT B-2.2(c) and (2)(c)(i)

Normal value – Cost model – Korea – Labour and Energy

CONFIDENTIAL ATTACHMENT B-2.2(c)(ii)

Normal value – Cost model – Mt Mercer – Labour Hours

CONFIDENTIAL ATTACHMENT B-2.2(d)

NON CONFIDENTIAL

Normal value – Cost model – Korea - Paint

CONFIDENTIAL ATTACHMENT B-2.2(e)

Normal value – Cost model – Mechanical and Electrical Internals – Material costs

NON CONFIDENTIAL ATTACHMENT B-2.9

Reserve Bank of Australia FOREX Rates

Power Plant Report

ID	Owner	Location	State	MRET Category	Status	Commission Date	Unit Configuration	Installed Capacity
65	Infigen Energy	Capital Wind Farm	NSW	Wind	Operating	NOV 2009	67 x 2.1MW	140.7
66	AGL	Hallett 1 (Brown Hill)	SA	Wind	Operating	JUN 2008	45 x 2.1MW	94.5
67	AGL	Hallett 2 (Hallett Hill)	SA	Wind	Operating	MAY 2010	34 x 2.1MW	71.4
68	Infigen Energy	Lake Bonney - Stage II	SA	Wind	Operating	JUL 2008	53 x 3MW	159
69	RATCH Australia Corporation	Mt Millar	SA	Wind	Operating	DEC 2008	35 x 2MW	70
70	TrustPower Ltd	Snowtown Stage I	SA	Wind	Operating	NOV 2008	47 x 2.1MW , 1 x 2.1MW	100.8
71	Acciona Energy	Waubra	VIC	Wind	Operating	OCT 2009	128 x 1.5MW	192
72	Pacific Hydro	Portland Stage 2 (Cape	VIC	Wind	Operating	NOV 2008	29 x 2MW	58
73	Verve Energy	Kalbarri	WA	Wind	Operating	2008	2 x 0.8MW	1.6
76	Acciona Energy	Gunning	NSW	Wind	Operating	JULY 2011	31 x 1.5MW	46.5
246	Origin Energy	Cullerin Range	NSW	Wind	Operating	JULY 2009	15 x 2MW	30
253	UBS IIF/ REST	Collgar	WA	Wind	Operating	JAN 2012	111 x 1.856MW	206.02
255	Infigen Energy	Woodlawn	NSW	Wind	Operating	DEC 2011	23 x 2.1MW	48.3
261	AGL	Hallett 5 (Bluff Wind Farm)	SA	Wind	Operating	FEB 2012	25 x 2.1MW	52.5
266	Pacific Hydro	Clements Gap	SA	Wind	Operating	JAN 2010	27 x 2.1MW ,	56.7
268	Energy Australia	Waterloo	SA	Wind	Operating	DEC 2010	37 x 3MW	111
276	AGL	Hallett 4 (Nth Brown Hill)	SA	Wind	Operating	JUNE 2011	63 x 2.1MW	132.3
287	AGL and Meridian Energy	Macarthur Wind Farm	VIC	Wind	Operating	April 2013	140 x 3MW	420
288	Hepburn Wind	Hepburn (Leonards Hill)	VIC	Wind	Operating	JUL 2011	2 x 2.050MW	4.1
289	AGL	Oaklands Hill	VIC	Wind	Operating	APR 2012	32 x 2.1MW	67.2

Total Installed Capacity (MW) 3005.26

Power Plant Report

ID	Owner	Location	State	MRET Category	Status	Commission Date	Unit Configuration	Installed Capacity
291	Goldwind Australia	Morton's Lane	VIC	Wind	Operating	DEC 2012	13 x 1.5MW	19.5
292	Pacific Hydro	Portland Stage 3 (Cape	VIC	Wind	Operating	JULY 2009	22 x 2MW	44
487	Mt Barker Power Company	Mt Barker	WA	Wind	Operating	APR 2011	3 x 0.8MW	2.4
1028	Verve Energy	Albany II (Grasmere)	WA	Wind	Operating	APRIL 2012	6 x 2.3MW	13.8
1032	CSIRO	Newcastle	NSW	Wind	Operating	2003	8 x 0.02MW	.16
1033	EnergyAustralia	Kooragang Is	NSW	Wind	Operating	1997	1 x 0.6MW	.6
1034	Eraring Energy	Crookwell	NSW	Wind	Operating	1998	8 x 0.6MW	4.8
1035	Eraring Energy	Blayney	NSW	Wind	Operating	2000	15 x 0.66MW	9.9
1036	EnergyAustralia	Hampton	NSW	Wind	Operating	2002	2 x 0.6MW	1.2
1037	Ergon Energy	Thursday Island	QLD	Wind	Operating	1998	2 x .225MW	.45
1038	QLD Education Department	North Keppel Island	QLD	Wind	Operating	2004	1 x 0.01MW	.01
1039	RATCH Australia Corporation	Windy Hill	QLD	Wind	Operating	2000	20 x 0.6MW	12
1040	AGL	Wattle Point	SA	Wind	Operating	APR 2005	55 x 1.65MW	90.75
1041	Infigen Energy	Lake Bonney - Stage I	SA	Wind	Operating	2005	46 x 1.75MW	80.5
1042	International Power	Canunda Wind Farm (Lake	SA	Wind	Operating	2005	23 x 2MW	46
1043	EnergyAustralia and Acciona	Cathedral Rocks (Eyre)	SA	Wind	Operating	JAN 2007	33 x 2MW	66
1044	SA Government	Coober Pedy	SA	Wind	Operating	1991	1 x 0.15MW	.15
1045	RATCH Australia Corporation	Starfish Hill	SA	Wind	Operating	2003	23 x 1.5MW	34.5
1046	Hydro Tasmania	Huxley Hill - King Island	TAS	Wind	Operating	1998	3 x 0.25MW	.75
1047	Hydro Tasmania	Huxley Hill - King Island II	TAS	Wind	Operating	2003	2 x 0.85MW	1.7

Total Installed Capacity (MW) 3005.26

Power Plant Report

ID	Owner	Location	State	MRET Category	Status	Commission Date	Unit Configuration	Installed Capacity
1048	Private	Flinders Island I	TAS	Wind	Operating	1988	1 x .055MW	.06
1049	Private	Flinders Island II	TAS	Wind	Operating	1996	1 x .025MW	.03
1050	Hydro Tasmania	Woolnorth Stage	TAS	Wind	Operating	2002	6 x 1.75MW	10.5
1051	Hydro Tasmania	Woolnorth Stage II (Bluff	TAS	Wind	Operating	2004	31 x 1.75MW	54.25
1052	Hydro Tasmania	Woolnorth Stage III	TAS	Wind	Operating	2007	25 x 3MW	75
1053	Australian Antarctic Division	Mawson	Territories	Wind	Operating	2003	2 x 0.3MW	.6
1054	DOTARS	Cocos Islands	Territories	Wind	Operating	2005	4 x 0.02MW	.08
1055	Barwon Water	Breamlea, Torquay	VIC	Wind	Operating	1987	1 x 0.06MW	.06
1056	Elgo Estate	Elgo-Longwood	VIC	Wind	Operating	2007	1 x .15MW	.15
1057	Pacific Hydro	Codrington	VIC	Wind	Operating	2001	14 x 1.3MW	18.2
1058	Pacific Hydro	Challicum Hills	VIC	Wind	Operating	2003	35 x 1.5MW	52.5
1059	Pacific Hydro	Yambuk - Portland Stage 1	VIC	Wind	Operating	May 2007	20 x 1.5MW	30
1060	Regional Wind Farms	Wonthaggi	VIC	Wind	Operating	2005	6 x 2MW	12
1061	RATCH Australia Corporation	Toora	VIC	Wind	Operating	2002	12 x 1.75MW	21
1062	Infigen Energy	Alinta Wind Farm (Walkaway)	WA	Wind	Operating	2006	54 x 1.65MW	89.1
1063	Rottne Island Authority and	Rottne Island	WA	Wind	Operating	2004	1 x 0.6MW	.6
1064	Stanwell Corporation and Griffin	Emu Downs	WA	Wind	Operating	2006	48 x 1.65MW	79.2
1065	Verve Energy	Ten Mile Lagoon, Esperance	WA	Wind	Operating	1993	9 x 0.225MW	2.03
1066	Verve Energy	Denham	WA	Wind	Operating	1998	1 x 0.23MW	.23
1150	Verve Energy	Denham II	WA	Wind	Operating	1999	2 x 0.23MW	.46

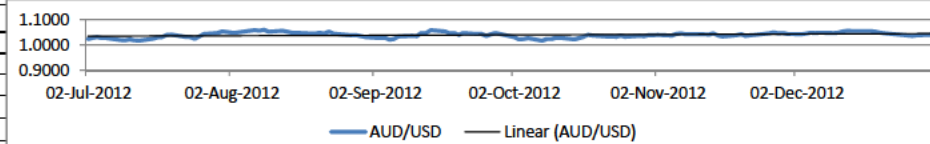
Total Installed Capacity (MW) 3005.26

Power Plant Report

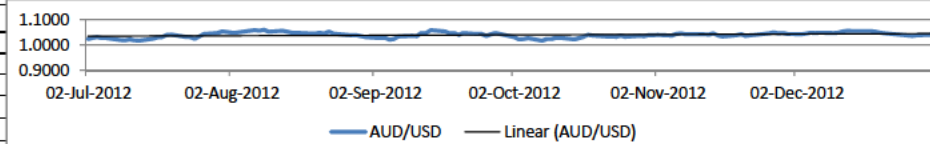
ID	Owner	Location	State	MRET Category	Status	Commission Date	Unit Configuration	Installed Capacity
1151	Verve Energy	Albany	WA	Wind	Operating	2001	12 x 1.8MW	21.6
1152	Horizon Power	Exmouth	WA	Wind	Operating	2002	3 x 0.02MW	.06
1153	Verve Energy	Nine Mile Beach, Esperance	WA	Wind	Operating	2003	6 x 0.6MW	3.6
1154	Verve Energy	Hopetoun	WA	Wind	Operating	2004	1 x 0.6MW	.6
1155	Verve Energy	Bremer Bay	WA	Wind	Operating	2005	1 x 0.6MW	.6
1156	Verve Energy	Denham III	WA	Wind	Operating	2007	1 x 0.3MW	.3
1157	Verve Energy	Hopetoun II	WA	Wind	Operating	MAY 2007	1 x 0.6MW	.6
1158	Verve Energy	Coral Bay	WA	Wind	Operating	2007	3 x 0.275MW	.83
1282	Infigen Energy	Lake Bonney - Stage III	SA	Wind	Operating	AUG 2010	13 x 3MW	39
1299	Blowing in the Wind	Sassafras (Nichols Poultry	TAS	Wind	Operating	2008	1 x .225MW	.23

Total Installed Capacity (MW) 3005.26

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	HISTORICAL DAILY EXCHANGE RATES OF THE AUSTRALIAN DOLLAR AGAINST:															
2	Definitions and Sources of the exchange rates can be found in the Related Documents section of the RBA website.															
3																
4		AUD/USD	Chinese	South	RMB/USD											
5			Renminbi	Korean												
6				Won												
7																
8																
9	Last updated:	3-May-13	3-May-13	3-May-13												
1141	02-Jul-2012	1.0227	6.4949	1172.07	0.1575											
1142	03-Jul-2012	1.0270	6.5246	1168.88	0.1574											
1143	04-Jul-2012	1.0295	6.5338	1169.20	0.1576											
1144	05-Jul-2012	1.0267	6.5231	1165.46	0.1574											
1145	06-Jul-2012	1.0260	6.5305	1167.43	0.1571											
1146	09-Jul-2012	1.0190	6.4942	1163.09	0.1569											
1147	10-Jul-2012	1.0176	6.4803	1163.78	0.1570											
1148	11-Jul-2012	1.0214	6.5028	1165.32	0.1571											
1149	12-Jul-2012	1.0170	6.4782	1170.97	0.1570											
1150	13-Jul-2012	1.0163	6.4818	1169.15	0.1568											
1151	16-Jul-2012	1.0234	6.5254	1173.84	0.1568											
1152	17-Jul-2012	1.0294	6.5618	1177.17	0.1569											
1153	18-Jul-2012	1.0300	6.5643	1176.88	0.1569											
1154	19-Jul-2012	1.0390	6.6197	1183.52	0.1570											
1155	20-Jul-2012	1.0403	6.6297	1187.19	0.1569											
1156	23-Jul-2012	1.0314	6.5870	1182.50	0.1566											
1157	24-Jul-2012	1.0304	6.5813	1181.04	0.1566											
1158	25-Jul-2012	1.0220	6.5331	1176.32	0.1564											
1159	26-Jul-2012	1.0331	6.5974	1184.81	0.1566											
1160	27-Jul-2012	1.0426	6.6497	1186.84	0.1568											
1161	30-Jul-2012	1.0464	6.6734	1190.33	0.1568											
1162	31-Jul-2012	1.0526	6.7153	1190.12	0.1567											
1163	01-Aug-2012	1.0507	6.6929	1183.72	0.1570											
1164	02-Aug-2012	1.0483	6.6824	1186.31	0.1569											
1165	03-Aug-2012	1.0479	6.6783	1189.21	0.1569											
1166	07-Aug-2012	1.0580	6.7371	1194.27	0.1570											
1167	08-Aug-2012	1.0551	6.7180	1190.47	0.1571											
1168	09-Aug-2012	1.0593	6.7325	1192.30	0.1573											
1169	10-Aug-2012	1.0519	6.6946	1189.12	0.1571											
1170	13-Aug-2012	1.0550	6.7100	1193.36	0.1572											
1171	14-Aug-2012	1.0516	6.6893	1187.99	0.1572											
1172	15-Aug-2012	1.0476	6.6649	1184.41	0.1572											
1173	16-Aug-2012	1.0483	6.6755	1188.98	0.1570											
1174	17-Aug-2012	1.0472	6.6641	1187.73	0.1571											
1175	20-Aug-2012	1.0446	6.6464	1186.25	0.1572											
1176	21-Aug-2012	1.0481	6.6642	1185.56	0.1573											
1177	22-Aug-2012	1.0437	6.6317	1185.49	0.1574											
1178	23-Aug-2012	1.0516	6.6814	1188.99	0.1574											
1179	24-Aug-2012	1.0438	6.6320	1183.77	0.1574											
1180	27-Aug-2012	1.0384	6.6024	1179.00	0.1573											
1181	28-Aug-2012	1.0374	6.5948	1179.32	0.1573											
1182	29-Aug-2012	1.0373	6.5828	1175.73	0.1576											
1183	30-Aug-2012	1.0337	6.5623	1172.22	0.1575											
1184	31-Aug-2012	1.0301	6.5391	1168.75	0.1575											
1185	03-Sep-2012	1.0266	6.5133	1161.14	0.1576											
1186	04-Sep-2012	1.0276	6.5161	1164.48	0.1577											
1187	05-Sep-2012	1.0205	6.4801	1159.08	0.1575											



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3																
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5			Renminbi	Korean												
6				Won												
7																
8																
9	Last updated:	3-May-13	3-May-13	3-May-13												
1188	06-Sep-2012	1.0226	6.4874	1159.48	0.1576											
1189	07-Sep-2012	1.0321	6.5476	1166.53	0.1576											
1190	10-Sep-2012	1.0351	6.5593	1169.04	0.1578											
1191	11-Sep-2012	1.0334	6.5498	1165.83	0.1578											
1192	12-Sep-2012	1.0470	6.6238	1179.45	0.1581											
1193	13-Sep-2012	1.0471	6.6291	1181.60	0.1580											
1194	14-Sep-2012	1.0579	6.6835	1181.89	0.1583											
1195	17-Sep-2012	1.0534	6.6530	1175.70	0.1583											
1196	18-Sep-2012	1.0452	6.6073	1168.90	0.1582											
1197	19-Sep-2012	1.0470	6.6060	1167.14	0.1585											
1198	20-Sep-2012	1.0389	6.5450	1166.74	0.1587											
1199	21-Sep-2012	1.0469	6.6044	1171.90	0.1585											
1200	24-Sep-2012	1.0422	6.5683	1167.84	0.1587											
1201	25-Sep-2012	1.0422	6.5700	1166.59	0.1586											
1202	26-Sep-2012	1.0353	6.5293	1160.62	0.1586											
1203	27-Sep-2012	1.0419	6.5698	1163.07	0.1586											
1204	28-Sep-2012	1.0464	6.5818	1163.02	0.1590											
1205	02-Oct-2012	1.0305	6.4762	1146.48	0.1591											
1206	03-Oct-2012	1.0213	6.4184	1139.16	0.1591											
1207	04-Oct-2012	1.0222	6.4240	1138.63	0.1591											
1208	05-Oct-2012	1.0263	6.4498	1140.63	0.1591											
1209	08-Oct-2012	1.0161	6.3875	1129.65	0.1591											
1210	09-Oct-2012	1.0229	6.4293	1136.39	0.1591											
1211	10-Oct-2012	1.0228	6.4308	1139.50	0.1590											
1212	11-Oct-2012	1.0280	6.4555	1145.65	0.1592											
1213	12-Oct-2012	1.0271	6.4373	1140.59	0.1596											
1214	15-Oct-2012	1.0216	6.4029	1135.56	0.1596											
1215	16-Oct-2012	1.0264	6.4320	1136.28	0.1596											
1216	17-Oct-2012	1.0309	6.4495	1139.97	0.1598											
1217	18-Oct-2012	1.0386	6.4970	1147.86	0.1599											
1218	19-Oct-2012	1.0364	6.4800	1145.64	0.1599											
1219	22-Oct-2012	1.0326	6.4589	1140.40	0.1599											
1220	23-Oct-2012	1.0323	6.4505	1138.27	0.1600											
1221	24-Oct-2012	1.0315	6.4479	1137.80	0.1600											
1222	25-Oct-2012	1.0363	6.4688	1141.43	0.1602											
1223	26-Oct-2012	1.0313	6.4336	1130.87	0.1603											
1224	29-Oct-2012	1.0357	6.4611	1135.28	0.1603											
1225	30-Oct-2012	1.0341	6.4592	1129.24	0.1601											
1226	31-Oct-2012	1.0378	6.4767	1131.67	0.1602											
1227	01-Nov-2012	1.0372	6.4713	1130.96	0.1603											
1228	02-Nov-2012	1.0396	6.4891	1134.26	0.1602											
1229	05-Nov-2012	1.0363	6.4718	1131.28	0.1601											
1230	06-Nov-2012	1.0429	6.5126	1138.22	0.1601											
1231	07-Nov-2012	1.0451	6.5253	1135.29	0.1602											
1232	08-Nov-2012	1.0410	6.4983	1133.13	0.1602											
1233	09-Nov-2012	1.0420	6.5002	1133.44	0.1603											
1234	12-Nov-2012	1.0420	6.4907	1133.33	0.1605											



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8																
9	Last updated:	3-May-13	3-May-13	3-May-13												
1235	13-Nov-2012	1.0404	6.4771	1134.82	0.1606											
1236	14-Nov-2012	1.0453	6.5073	1135.56	0.1606											
1237	15-Nov-2012	1.0369	6.4574	1126.49	0.1606											
1238	16-Nov-2012	1.0326	6.4380	1126.82	0.1604											
1239	19-Nov-2012	1.0374	6.4678	1127.03	0.1604											
1240	20-Nov-2012	1.0410	6.4851	1125.89	0.1605											
1241	21-Nov-2012	1.0352	6.4527	1121.59	0.1604											
1242	22-Nov-2012	1.0382	6.4668	1126.29	0.1605											
1243	23-Nov-2012	1.0396	6.4743	1129.58	0.1606											
1244	26-Nov-2012	1.0457	6.5101	1134.27	0.1606											
1245	27-Nov-2012	1.0486	6.5248	1136.58	0.1607											
1246	28-Nov-2012	1.0458	6.5126	1135.16	0.1606											
1247	29-Nov-2012	1.0466	6.5183	1135.19	0.1606											
1248	30-Nov-2012	1.0431	6.4947	1129.99	0.1606											
1249	03-Dec-2012	1.0414	6.4857	1128.25	0.1606											
1250	04-Dec-2012	1.0439	6.4998	1131.07	0.1606											
1251	05-Dec-2012	1.0477	6.5211	1133.30	0.1607											
1252	06-Dec-2012	1.0463	6.5167	1132.78	0.1606											
1253	07-Dec-2012	1.0480	6.5291	1133.99	0.1605											
1254	10-Dec-2012	1.0472	6.5234	1130.66	0.1605											
1255	11-Dec-2012	1.0482	6.5325	1129.12	0.1605											
1256	12-Dec-2012	1.0524	6.5712	1132.70	0.1602											
1257	13-Dec-2012	1.0550	6.5832	1131.43	0.1603											
1258	14-Dec-2012	1.0540	6.5756	1131.73	0.1603											
1259	17-Dec-2012	1.0541	6.5675	1130.36	0.1605											
1260	18-Dec-2012	1.0541	6.5671	1129.63	0.1605											
1261	19-Dec-2012	1.0517	6.5510	1127.74	0.1605											
1262	20-Dec-2012	1.0482	6.5298	1125.30	0.1605											
1263	21-Dec-2012	1.0451	6.5110	1124.32	0.1605											
1264	24-Dec-2012	1.0405	6.4854	1117.81	0.1604											
1265	27-Dec-2012	1.0357	6.4595	1110.17	0.1603											
1266	28-Dec-2012	1.0380	6.4686	1111.65	0.1605											
1267	31-Dec-2012	1.0384	6.4687	1107.87	0.1605											

