



Dr. Ross S. Becroft B.A., LL.B., M.Comm.Law. PhD

Louis H. Gross B. Juris., LL.B. Special Counsel

Level 17
390 St Kilda Road
Melbourne, Victoria, 3004
Australia
Telephone: (61 3) 9866 5666
Facsimile: (61 3) 9866 5644
Our Ref: RB: 3244
Your Ref:

5 May 2014

By Email: operations2@adcommission.gov.au

The Director
Operations 2
Anti-Dumping Commission
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

PUBLIC RECORD

**Re: Anti-Dumping Investigation No. 238 – Certain deep drawn stainless steel sinks
Exported from China
Submission by Importer**

Importer Details

We act for Tom Stoddart Pty Ltd, trading as Stoddart Manufacturing.

Stoddart Manufacturing is an Australian family-owned business founded in Queensland in 1959. It has its headquarters in Brisbane and has warehouse facilities in a number of states. It employs approximately 380 people.

The business operations of Stoddart Manufacturing include the manufacturing, importation and exportation of food-service equipment, architectural metalwork products and plumbing fixtures.

Our client is an importer of deep drawn stainless steel sinks exported from China.

Purpose of Submission

The purpose of this submission is to advise the Anti-Dumping Commission ('ADC') that the applicant, Tasman Sinkware Pty Ltd ('Tasman') does not manufacture the type of sinks imported by Stoddart Manufacturing. Accordingly, in the event that the ADC was to recommend imposing

Visit our Website at www.grossbecroft.com.au

anti-dumping and/or countervailing duties on the Goods Under Consideration (GUC), such duties should not apply to the products imported by Stoddart Manufacturing as identified in this submission. This proposition is put on two bases: firstly, that the goods imported by Stoddart Manufacturing are not like goods when compared with the CUG, and secondly, that goods manufactured by Tasman and sold in Australia are not like or directly competitive with those imported by Stoddart Manufacturing.

In regard to the second basis of our submission, we note the power of the relevant Minister under ss 8(7) and 10(8) of the Customs Tariff (Anti-Dumping) Act 1975 (Cth) to exempt goods from dumping and countervailing duties. Our client is relying on s 8(7)(a) and s 10(8)(a) which enables an exemption where like or directly competitive goods are not offered for sale in Australia to all purchasers in equal terms under like conditions having regard to the custom and usage of trade.

Products imported by Stoddart Manufacturing

Stoddart Manufacturing imports two distinct sink products from China. The first product is a cleaner's sink, which is designed for installation in commercial buildings and for use by cleaning staff or contractors. We enclose **CONFIDENTIAL ATTACHMENT 1** comprising a schematic diagram of this product as imported and a customer product specification showing parts and accessories and a providing a product description. This sink is sold with the parts and accessories identified in the product brochure including wall mount brackets, waste basket and a hinged grate to support mop buckets. This product may also be sold with metal legs for supporting the sink in lieu of the wall brackets.

The second product is a hand wash basin which is sold in four different models being:

- Hand wash basin
- Wash basin knee operated (Type 1)
- Wash basin knee operated (Type 2)
- Wash basin knee operated (Type 3)

We enclose **CONFIDENTIAL ATTACHMENT 2** comprising a schematic diagram of the product as imported and customer product specifications regarding the four different models of this product.

The cleaner's sink and the hand basin are generally imported into Australia without parts and accessories. Many of the parts and accessories that are sold with the cleaner's sink or the hand basin are manufactured in Australia by Stoddart Manufacturing. Some parts and accessories are separately imported by Stoddart Manufacturing. Stoddart Manufacturing will then market for sale in Australia the subject products plus parts and accessories.

Products are not like goods

The products imported by Stoddart Manufacturing are not like goods compared to those manufactured by Tasman and we provide the following information in support of this proposition:

1. The GUC that are manufactured by Tasman are produced solely by a deep drawn press whereas Stoddart Manufacturing's products are manufactured utilizing a number of operations, including deep drawing, bending, welding and hand polishing. Importantly, Stoddart Manufacturing's products have a fascia (50mm high for the hand basins and 30mm high on cleaner's sinks) folded at 90 degrees to the top surface of the bowl and another edge folded back 10mm under this. Where the front fascia meets the side fascia at each front corner, the corners are fully welded and then polished to match the rest of the product.
2. The Tasman products are designed to be incorporated in a bench or cupboard (normally through a cut out) whereas the Stoddart Manufacturing products are free standing fixed to a wall independently of any other bench.
3. Tasman's sinks are produced solely for domestic household use as kitchen sinks and drainers, whereas the Stoddart Manufacturing hand basins and cleaner's sinks are solely for commercial use in the foodservice industry, within health/medical areas, and correctional facilities. The shape is quite different and the application also completely different.
4. Stoddart Manufacturing's products are sold predominantly through a network of food service equipment distributors, and to a small degree through some plumbing chains. Tasman products will be distributed through outlets servicing domestic customers or domestic builders.
5. The hand basin products are used to clean a person's hands in a commercial environment such as a food preparation area, or other commercial area where cleanliness of hands is essential. The product is deep drawn from stainless steel grade 304 material in a bright finish. The deep drawing process produces the recess for the bowl in the top section. The supplier trims the basic pressing and then moves it to another process where a fascia is bent into the metal at 90 degrees to the top on three sides (50mm high for hand basins). The fascia is formed with two bends on each of the three sides. When the bending is complete the front fascia butts up against the two sides. The unit is then moved to another processing area for welding. Where the front fascia meets the sides at each of the front corners, the join is fully welded and then polished by hand to match the finish on the rest of the product. The supplier includes a waste and plug at added cost if requested.
6. The only product of similar shape and size sold in Australia to the hand basin would be a ceramic hand basin used in domestic residences, being products which are not the subject of this investigation.
7. The cleaner's sink is manufactured in a similar fashion to the hand basin, with the fascia on three sides slightly smaller.

8. Stoddart Manufacturing uses the bowls as a part of products they manufacture. For the hand basin Stoddart Manufacturing adds brackets to mount the unit to a wall, and then further develops the product by adding the hands free mechanism involving further metalwork, plumbing valves pipes and connections.
9. To the cleaner's sinks, Stoddart Manufacturing adds brackets to mount the unit to a wall, then adds grates and connectors to form a grate over the complete product so that operators can place a bucket on it and fill it with water. The bucket is also emptied onto the grate.

Products are not like or directly competitive

The goods manufactured by Tasman and sold in Australia are also not like or directly competitive with those imported by Stoddard Manufacturing. Both of the products of Stoddard Manufacturing referred to in this submission are sold in non-domestic markets. The hand wash basin is marketed for sale for use in public amenities, schools and correctional facilities. The knee operated wash basins are specifically designed for use by persons for whom hygienic hand washing is required such as in food preparation areas or in hospitals. The cleaner's sink is used in facilities such as schools, hospitals, and commercial kitchens where regular cleaning is required.

By contrast, the products manufactured by Tasman falling within the description of the Goods Under Consideration are for domestic applications (e.g. kitchen, laundry) rather than commercial applications. There is a complete lack of functional and commercial likeness in Tasman's product range when compared with the two subject products of Stoddard Manufacturing. Factors against which commercial likeness may be measured include price and volume. Individual sinks in Tasman's domestic range generally sell at a wholesale level for \$1-200 whereas the knee operated wash basins may sell for amounts several times the price of Tasman's domestic range.. We attach as **CONFIDENTIAL ATTACHMENT 3** pricing lists for these products sold by Stoddard Manufacturing. The pricing lists demonstrate that the products of Tasman and Stoddard Manufacturing do not compete in the same market. In addition, it would not be commercially viable for Tasman to manufacture in Australia the two subject products imported by Stoddard Manufacturing. The narrow markets for these products mean that there is not the required economies of scale necessary to justify local production.

There is also a lack of physical likeness between Tasman's products and Stoddard Manufacturing's products when one considers that the respective products have physical characteristics that suit their design objectives and commercial applications. Some of these physical differences are dealt with in the previous section of this submission. Further examples of this include:

- The cleaner's sink is 235mm deep to reduce splashing whereas most domestic sinks are between 130mm and 180mm deep.
- Hand wash basins in domestic applications are generally porcelain or ceramic and there are no stainless steel products used in domestic applications.

Conclusion

Stoddart Manufacturing understands that Tasman has not directed this anti-dumping and countervailing complaint to the activities of Stoddart Manufacturing and that Tasman does not have any issue with Stoddart Manufacturing seeking to have its products described in this submission from being exempted from any prospective anti-dumping and/or countervailing duties.

We request that the ADC grant an exemption to or confirm the exclusion of the products identified in this submission from any anti-dumping and countervailing duties that may be imposed in this investigation.

In the event that anti-dumping and/or countervailing duties are imposed upon Stoddart Manufacturing, it will in fact harm Stoddart Manufacturing as it uses these products to value add with additional manufacturing occurring in Australia to sell products in Australia or for export. Further, Stoddart Manufacturing's products compete against other imported products and by adding additional costs to Stoddart Manufacturing would make its products less competitive against imports of fully manufactured hands free hand basins and cleaner's sinks.

Do not hesitate to contact the writer should you have any further queries regarding this matter.

Yours faithfully
GROSS & BECROFT



ROSS BECROFT
Principal

Encl.