INVESTIGATION 316

ALLEGED DUMPING AND SUBSIDISATION OF GRINDING BALLS

EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA

VISIT REPORT - AUSTRALIAN INDUSTRY

Donhad Pty Ltd

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT THE FINAL POSITION OF ANTI-DUMPING COMMISSION

January 2016
# CONTENTS

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABBREVIATIONS</td>
<td>4</td>
</tr>
</tbody>
</table>

1 **BACKGROUND AND PURPOSE** .......................................................... 5

1.1 **BACKGROUND** ........................................................................... 5
1.2 **PURPOSE OF VISIT** .................................................................... 6
1.3 **MEETING DETAILS** ...................................................................... 6
1.4 **INVESTIGATION PROCESS AND TIMEFRAMES** ................................ 6
1.5 **VISIT REPORT** ........................................................................... 7

2 **THE GOODS** ............................................................................. 8

2.1 **DESCRIPTION** ........................................................................... 8
2.2 **TARIFF CLASSIFICATION** .......................................................... 8

3 **THE AUSTRALIAN INDUSTRY** .................................................. 9

3.1 **AUSTRALIAN INDUSTRY** .......................................................... 9
3.2 **CORPORATE, ORGANISATIONAL AND OWNERSHIP STRUCTURE** ................................................................................... 9
3.3 **ACCOUNTING STRUCTURE AND DETAILS OF ACCOUNTING SYSTEMS** ........................................................................... 9
3.4 **RELATIONSHIP WITH SUPPLIERS AND CUSTOMERS** .......... 9
3.5 **MANUFACTURING FACILITIES AND PRODUCT RANGE** ......... 9
3.6 **PRODUCTION PROCESS** ............................................................ 10
3.7 **CAPACITY AND EMPLOYMENT NUMBERS** ............................. 11
3.8 **LIKE GOODS** ............................................................................ 11

4 **AUSTRALIAN MARKET** ................................................................. 13

4.1 **MARKET SEGMENTATION AND END USE** .............................. 13
4.2 **DEMAND VARIABILITY** ............................................................ 13
4.3 **SUBSTITUTABLE PRODUCTS** .................................................... 13
4.4 **MARKET SIZE AND SHARE** .................................................... 13
4.5 **MARKETING AND DISTRIBUTION** ......................................... 14

5 **SALES** ..................................................................................... 16

5.1 **GENERAL** ............................................................................... 16
5.2 **CUSTOMER BASE** .................................................................... 17
5.3 **ORDERING, INVOICING AND DELIVERY ARRANGEMENTS** .......................................................... 17
5.4 **LEVEL OF TRADE AND RELATED VS UNRELATED CUSTOMERS** ................................................................................ 18
5.5 **VERIFICATION OF SALES DATA TO AUDITED FINANCIAL STATEMENTS** .................................................. 18
5.6 **VERIFICATION OF SALES DATA TO SOURCE DOCUMENTS** ................................................................................ 19
5.7 **SALES – CONCLUSION** ............................................................. 20

6 **COST TO MAKE AND SELL** ......................................................... 21

6.1 **GENERAL** ............................................................................... 21
6.2 **VERIFICATION OF COST TO MAKE TO SOURCE DOCUMENTS** ................................................................................ 22
6.3 **VERIFICATION OF COST TO SELL** .......................................... 24
6.4 **COSTS TO MAKE AND SELL – CONCLUSION** ................................ 25

7 **ECONOMIC CONDITION** ............................................................... 26

7.1 **APPROACH TO INJURY ANALYSIS** .......................................... 26
7.2 **THE APPLICANTS’ INJURY CLAIMS** ......................................... 26
7.3 **VOLUME EFFECTS** .................................................................... 26
7.4 **PRICE EFFECTS** ....................................................................... 27
7.5 **PROFIT EFFECTS** ..................................................................... 28
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABF</td>
<td>Australian Border Force</td>
</tr>
<tr>
<td>ADN</td>
<td>Anti-Dumping Notice</td>
</tr>
<tr>
<td>APAC</td>
<td>Asia Pacific</td>
</tr>
<tr>
<td>the applicants</td>
<td>Commonwealth Steel Company Pty Ltd and Donhad Pty Ltd</td>
</tr>
<tr>
<td>$AUD</td>
<td>Australian dollars</td>
</tr>
<tr>
<td>the Act</td>
<td>Customs Act 1901</td>
</tr>
<tr>
<td>China</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>COGS</td>
<td>Cost of goods sold</td>
</tr>
<tr>
<td>the Commission</td>
<td>Anti-Dumping Commission</td>
</tr>
<tr>
<td>the Commissioner</td>
<td>Commissioner of the Anti-Dumping Commission</td>
</tr>
<tr>
<td>CTM</td>
<td>Cost to make</td>
</tr>
<tr>
<td>CTMS</td>
<td>Cost to make and sell</td>
</tr>
<tr>
<td>Donhad</td>
<td>Donhad Pty Ltd</td>
</tr>
<tr>
<td>EPBS</td>
<td>Enhanced Policy By-law Scheme</td>
</tr>
<tr>
<td>EXW</td>
<td>Ex-works</td>
</tr>
<tr>
<td>Moly-Cop</td>
<td>Commonwealth Steel Company Pty Ltd</td>
</tr>
<tr>
<td>OneSteel</td>
<td>OneSteel Manufacturing Pty Ltd</td>
</tr>
<tr>
<td>PAD</td>
<td>Preliminary Affirmative Determination</td>
</tr>
<tr>
<td>Parliamentary Secretary</td>
<td>the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science</td>
</tr>
<tr>
<td>SAG</td>
<td>Semi-Autogenous Grinding</td>
</tr>
<tr>
<td>SEF</td>
<td>Statement of essential facts</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>Selling, general and administrative expenses</td>
</tr>
<tr>
<td>Valmont</td>
<td>Valmont Industries Inc.</td>
</tr>
</tbody>
</table>
1 BACKGROUND AND PURPOSE

1.1 Background

On 5 October 2015, the Commonwealth Steel Company Pty Ltd (trading as Moly-Cop) (Moly-Cop) and Donhad Pty Ltd (Donhad) (the applicants) lodged an application requesting that the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Parliamentary Secretary) publish a dumping duty notice and a countervailing duty notice in respect of grinding balls exported to Australia from the People’s Republic of China (China).

Grinding balls are used to reduce the particle size of various materials including mineral ores, cement materials or coal for further downstream processing.

The applicants provided further information and data in support of the application on 23 October 2015. As a result, the Anti-Dumping Commission (the Commission) restarted the 20 day period for considering the application in accordance with subsection 269TC(2A) of the Customs Act 1901 (the Act).

The applicants allege that the Australian industry has suffered material injury caused by grinding balls exported to Australia from China at dumped and subsidised prices. The applicants allege that the industry has been injured through:

- Lost sales volume;
- Price depression;
- Price suppression;
- Loss of profits;
- Reduced profitability;
- Reduced revenues;
- Reduced return on investment;
- Reduced capacity utilisation; and
- Reduced employment.

The Commissioner of the Anti-Dumping Commission (the Commissioner), after examining the application, gave Public Notice of his decision to initiate the investigation on 17 November 2015 on the Commission’s website at www.adcommission.gov.au.

There has been no previous dumping or countervailing investigations in relation to grinding balls in Australia.

---

1 On 20 September 2015, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Science.

2 All legislative references in this report are to the Customs Act 1901, unless otherwise stated.

3 Anti-Dumping Notice (ADN) No. 2015/132 refers.
1.2 Purpose of visit

The purpose of the visit was to:

- obtain relevant information about the Australian market for grinding balls;
- gain a greater understanding of the company’s manufacturing, marketing and distribution processes;
- verify information provided in the application;
- obtain relevant financial data about claimed injury to the Australian industry; and
- gather information relevant to assessing whether the allegedly dumped and subsidised imports have caused material injury to the Australian industry.

1.3 Meeting details

<table>
<thead>
<tr>
<th>Company</th>
<th>Donhad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-22 Jackson Street</td>
</tr>
<tr>
<td></td>
<td>Bassendean WA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Representatives</th>
<th>Paul Shelley</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managing Director</td>
</tr>
<tr>
<td></td>
<td>Brad Kobus</td>
</tr>
<tr>
<td></td>
<td>Finance Director</td>
</tr>
<tr>
<td></td>
<td>Naser Elsaafin</td>
</tr>
<tr>
<td></td>
<td>Operations Manager (West Coast)</td>
</tr>
</tbody>
</table>

| Anti-Dumping Commission       | Matthew Williams                  |
| Representatives              | Director                           |
|                               | Jukka Mäntynen                    |
|                               | Assistant Director                 |
|                               | Brad Champness                     |
|                               | Senior Investigator                |

| Dates of visit                | 7 – 9 December 2015               |

1.4 Investigation process and timeframes

The Commission advised Donhad of the investigation process and timeframes as follows:

- The investigation period is 1 October 2014 to 30 September 2015. The injury analysis period is from 1 July 2011 for the purpose of analysing the condition of the Australian industry.

- A preliminary affirmative determination (PAD) may be made no earlier than day 60 of the investigation, which falls on 18 January 2016.⁴ Where a PAD is not made 60 days after initiation of the investigation, Customs (Preliminary Affirmative Determinations) Direction 2015 directs the Commissioner to publish a status report providing reasons why a PAD was not made.

- The Statement of Essential Facts (SEF) for the investigation is due to be placed on the public record by 7 March 2016, or such later date as the Parliamentary Secretary allows.

---

⁴ If a due date falls on a weekend or public holiday in Victoria, the effective due date will be the following business day.
Following receipt and consideration of submissions made in response to the SEF, the Commissioner will provide his final report and recommendations to the Parliamentary Secretary. This final report is due no later than 20 April 2016, or such later date as the Parliamentary Secretary allows.

1.5 Visit report

It was explained that the visit team will prepare a report of the visit (this report) and provide it to Donhad to review its factual accuracy, and to identify those parts of the report it considers confidential.

The visit team explained that, in consultation with Donhad, a non-confidential version of the report would be prepared and be placed on the public record relating to this investigation.
2 THE GOODS

2.1 Description

The goods the subject of the investigation (the goods) are:

Ferrous grinding balls, whether or not containing alloys, cast or forged, with
diameters in the range 22mm to 170mm (inclusive).

The applicants provided further details as follows:

The goods covered by this application include all ferrous grinding balls, typically
used for the comminution of metalliferous ores, meeting the above description of
the goods regardless of the particular grade or alloy content.

Goods excluded from this application include stainless steel balls, precision balls
that have been machined and/or polished, and ball bearings.

2.2 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the Customs
Tariff Act 1995:

- 7325.91.00 (statistical code 26); and
- 7326.11.00 (statistical code 29).

The goods exported from China prior to 20 December 2015 were subject to a 4 per cent
rate of Customs duty. It is noted that, subsequent to the publication of ADN No. 2015/132,
on 20 December 2015, the China Australia Free Trade Agreement came into force at
which time the goods became subject to a reduced rate of 3.3 per cent Customs duty.
From 1 January 2016, the rate of Customs duty applicable to the goods will further reduce
to 1.7 per cent, and from 1 January 2017 the goods will be free of Customs duty.
3 THE AUSTRALIAN INDUSTRY

3.1 Australian industry

The applicants stated in the application that Moly-Cop and Donhad are the only Australian producers of grinding balls in Australia. The Commission is not aware of any other producer of grinding balls in Australia and therefore considers that the Australian industry for grinding balls is represented by the applicants.

3.2 Corporate, organisational and ownership structure

Donhad is a wholly owned subsidiary company of Valmont Group Holdings Pty Ltd which is owned by Valmont Industries Inc. (Valmont). Valmont is a member of the Valmont Industries group of companies based in Omaha, USA and is listed on the New York Stock Exchange. Valmont Group Holdings Pty Ltd manufactures a range of products including mesh, highway systems, galvanised products, poles etc.

Donhad does not have a relationship with importers or exporters of the goods from China.

3.3 Accounting structure and details of accounting systems

Donhad’s financial statements are prepared in accordance with Australian Accounting Standards and are consolidated into the audited annual reports of Valmont Group Holdings Pty Ltd. Donhad maintains a calendar year financial year in line with Valmont. Donhad maintains management accounts which it reports monthly to Valmont. Valmont is required to report quarterly in the USA in a structured way.

Donhad provided the most recent audited annual report to the Commission (year ending 31 December 2014) with the application.

3.4 Relationship with suppliers and customers

The verification team found no evidence to suggest that Donhad has a relationship other than a commercial buyer/seller relationship with any of its suppliers or customers.

3.5 Manufacturing facilities and product range

3.5.1 Manufacturing facilities

Donhad operates three grinding ball manufacturing sites in Bassendean (WA), Newcastle (NSW) and Townsville (QLD).

Donhad does not have steelmaking or hot-rolling facilities. The feed material for Donhad’s grinding media production process is grinding bar sourced from OneSteel Manufacturing Ltd (OneSteel) or unrelated foreign suppliers through a trader, [REDACTED]. Donhad explained that previously it sourced its entire grinding bar requirements from OneSteel, however around 4 years ago it diversified its supply, to ensure security of supply and to [REDACTED].
3.5.2 Product Range

Donhad manufactures steel grinding media, engineering forgings and a range of specialised fasteners for use in the mining and mineral processing industry. Donhad’s range of grinding media products includes grinding balls (like goods) and grinding rods. Grinding rods are not like goods for the purposes of this investigation and represent a small proportion of Donhad’s sales.

Donhad’s grinding balls range is sold under the Donhad company name in various sizes from 36mm to 140mm diameter. Donhad also advised that it imports a small volume of goods (around 1000 tonnes during the investigation period) in the 100mm to 110mm range from China to provide a more comprehensive product offering to some of its customers.

Donhad also produces high carbon grinding balls in various sizes.

3.6 Production process

Donhad manufactures forged grinding balls using various repetitive processes including roll-formed, Semi-Autogenous Grinding (SAG) press and upset forging at its three facilities as outlined below.

<table>
<thead>
<tr>
<th>Location</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassendean</td>
<td>Roll-form, SAG press</td>
</tr>
<tr>
<td>Newcastle</td>
<td>Roll-form, Upset forge</td>
</tr>
<tr>
<td>Townsville</td>
<td>Roll-form</td>
</tr>
</tbody>
</table>

During the verification visit, the Commission conducted an inspection of Donhad’s facilities at Bassendean. A separate inspection of Donhad’s Newcastle facility was undertaken by employees of the Commission whilst conducting a verification visit of MolyCop. During the Newcastle facility inspection, Donhad provided a process flow diagram of its upset forge line (Confidential Attachment GOODS 1 refers).

Donhad explained that, generally, smaller sized balls are roll-formed and larger balls are forged in the SAG press or the upset forge (there is some overlap for 105mm grinding balls).

5 A verification visit report is available the electronic public record
[Donhad commercially sensitive manufacturing process description]. Donhad also provided production rates (tonnes per hour) for each diameter of ball (Confidential Attachment GOODS 2 refers). Product specification sheets for Donhad’s entire grinding ball range are at Confidential Attachment GOODS 3. Donhad also provided a sample test certificate at Confidential Attachment GOODS 4.

Donhad advised that the steel used in the manufacture of its grinding balls is from basic oxygen furnace route, which can be slightly more expensive, but in its opinion provides a better quality of steel.

Donhad explained that there are no Australian standards for grinding balls, however there are industry expectations for average hardness (generally measures on Rockwell hardness, however the Chinese manufacturers might refer to Brinell) and tolerances. Donhad explained that, whilst different manufacturers might offer different diameters of grinding balls, generally those diameters are within a few mm, such that they are substitutable.

3.7 Capacity and employment numbers

Donhad’s annual capacity to produce grinding balls based on [ ] shifts is around [ ] tonnes. This volume is considered by Donhad to be its name plate capacity. However, Donhad indicated that its production target is around [ ] per cent of that amount ( [ ] tonnes). This amount is optimal in order to minimise down time and maintenance. At the moment Donhad is operating at about [ ] per cent capacity.

Donhad provided capacity utilisation figures in its Confidential Appendix A-7 (A-7) to the application which indicates that in 2014 it produced [ ] tonnes of grinding balls. This volume matches data in Donhad’s Confidential Appendix A-6 (A-6) to the application which was verified at sections 5 and 6.

3.8 Like goods

Like goods are defined in the legislation as:

- goods that are identical in all respects to the goods under consideration or that,
- although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

Donhad stated in the application that it considers that the imported grinding balls possess the same essential characteristics as locally produced grinding balls for the following reasons.

i. Physical likeness:

Donhad’s grinding balls and the imported goods are produced in similar sizes, grades and weights, and are alike in physical appearance.

ii. Commercial likeness:

The imported goods compete directly with the locally produced goods and are
interchangeable. The selling prices of the imported goods are similar to the selling prices of the goods manufactured by the local industry.

iii. **Functional likeness**

The imported goods and the locally produced goods are used to perform the same function and have the same end-uses.

iv. **Production likeness**

The imported and locally produced grinding balls are manufactured via similar production processes.

From information submitted in the application, gathered during the verification visit to Donhad and responses from exporters and importers, the Commission considers that locally produced grinding balls and imported grinding balls:

- are alike in physical appearance;
- compete directly with each other in the Australian market;
- have comparable or identical end-uses; and
- are manufactured in a similar manner.

The Commission is satisfied that Donhad produces like goods to the goods the subject of the application, as defined in section 269(T).
4 AUSTRALIAN MARKET

4.1 Market segmentation and end use

According to Donhad, 90 per cent of demand for grinding balls in the Australian market is from the mining industry. The remaining demand is from the energy and building industries. Demand is met from a combination of domestic supply and imports.

Donhad estimates that Australian manufacturers supply approximately 80 per cent of the Australian market, with the balance supplied by imports. The major sources of import supply are forged grinding balls from China and high chrome cast balls from Thailand and India. High chrome cast balls perform the same function as forged steel balls but are of a higher quality due to their greater wear resistance. This results in a relatively lower rate of consumption that justifies a higher price. Donhad does not manufacture cast grinding balls.

The majority of grinding balls are sold in Western Australia, with the balance sold in NSW and QLD.

4.2 Demand variability

Donhad indicated that demand variability is primarily driven by activity in the mining sector.

Donhad also indicated that the decline in mining investment in 2015 has not generally impacted the demand for grinding balls as the customers are well established mines that have continued operation at, or near, maximum production output.

Donhad indicated that demand for grinding balls in Australia has remained relatively stable across the four-year injury analysis period.

4.3 Substitutable products

Donhad indicated that grinding balls are considered the most convenient and cost-competitive media for grinding applications. Donhad indicated that cylindrically shaped, low chrome cast grinding media, typically referred to as “Cylpebs” may also be used in grinding applications. However this type of media only represents around one per cent of the grinding media market.

4.4 Market size and share

As part of the application, the applicants estimated the size of the Australian market using Australian Bureau of Statistics import data, data from an independent recognised international supplier of trade statistics and sales to external customers.

The Commission compared the estimated import volumes in the application to data contained in the Australian Border Force (ABF) import database and, found slight variances. However, the Commission considered these variances to be immaterial.

The Commission considers that the information submitted by the applicants is reliable, relevant and suitable for estimating the size of the Australian market for grinding balls.
The applicants’ sales data has been verified at site visits. Import data will be verified with importers and exporters during the course of the investigation to further refine estimates of the size of the Australian market.

The estimated size of the Australian market for grinding balls is shown in Figure 1.

**Figure 1 - Australian market size - grinding balls - years ending September**

The Commission found that during the injury analysis period, the Australian market for grinding balls remained relatively stable at between [ ] and [ ] tonnes, although the market did expand by approximately ten per cent in the investigation period. In the investigation period, the Australian industry’s sales increased by four per cent, Chinese imports by 67 per cent and imports from other sources fell by two per cent.

At the visit, Donhad explained that it kept detailed intelligence on the Asia Pacific market (APAC). Donhad expects the APAC market to expand by around [ ] per cent from 2015 to 2018.

4.5 **Marketing and distribution**

Donhad indicated that its grinding ball sales are generally made direct to end-users. Delivery is made to stocking depots strategically located close to major mining regions to minimise lead times.

[Donhad’s views on expected demand].
Chinese imports are more often sold to Australian based distributors. However, in some cases, mining operations in Australia have procured their grinding ball requirements direct from Chinese manufacturers. High chrome grinding balls from Thailand or India represent approximately 10 to 15 per cent of the total Australian market and are generally sold directly to end-users.

Donhad explained that most supply arrangements are awarded by tender processes. The local industry competes with imports on the basis of cost, product type, logistics, quality and supply conditions. Market prices are influenced by competition, and movements in steel prices. Donhad explained that cost is the main driver of competition. Logistics are important because transport adds significantly to the costs. Quality is important because of the significant costs of grinding balls in mining applications. Therefore there are often significant trialling periods beyond six months to field test and develop confidence in the quality of product. Donhad explained that production lead time for new customers can be significant e.g. it can take at least to develop the required recipe to the customer’s requirements.

The supply chain for grinding balls is shown in Figure 2.

![Figure 2 - Australian supply chain - grinding balls](image)

Donhad explained that although grinding balls are considered to be a specialty steel product, the market has become more commoditised recently. In its opinion, the chemical properties have reached a point where significant improvements in quality are unable to be achieved. Over time Chinese grinding balls have improved in quality and the security of supply and local service has been eroded by cheap imports.
5 SALES

5.1 General

5.1.1 Domestic sales

In support of its application, Donhad provided a quarterly summary of its sales of grinding balls from 1 July 2011 to 30 September 2015 in Confidential Appendix A-6.1 (A-6.1). Donhad also provided a detailed line-by-line-sale listing of its domestic sales of grinding balls for the investigation period in Confidential Appendix A-4 (A-4). A-4 listed the following details:

- customer name;
- product code;\(^6\)
- invoice details, including date and order number;
- quantity of goods (in tonnes);
- gross invoice value;
- rebates;
- net invoice value; and
- transport and handling costs.

From this data, we calculated that, for the investigation period, Donhad’s sales value for grinding balls in all sizes in the domestic market was $\text{[REDACTED]} (net of rebates and discounts), with a sales volume of $\text{[REDACTED]} tonnes.

Of those sales, $\text{[REDACTED]}$ grinding balls were the largest selling product, representing approximately $\text{[REDACTED]}$ of Donhad’s grinding ball sales.

We noted that the sales volumes in A-6.1 for the three quarters in 2015 did not match the data in A-4. Donhad rectified the issue and provided an updated A-6.1.

Detailed analysis of Donhad’s sales data is at Confidential Attachment SALES 1.

5.1.2 Export sales

Donhad submitted a separate quarterly summary of its export sales of grinding balls at Confidential Appendix A-6.2 (A-6.2). Export sales represented approximately $\text{[REDACTED]} million in the investigation period (\text{[REDACTED]} tonnes). Export sales are made to $\text{[REDACTED]}$. Export sales made up less than $\text{[REDACTED]}$ per cent of total sales revenue. Donhad explained that its export sales are sporadic; however $\text{[REDACTED]}$ [Donhad confidential export strategy]. Donhad described the export sales market as competitive and difficult in terms of arranging

\(^6\) The product codes record size, average hardness, packing type and grade of steel.
logistics, however there it is profitable and helps increase sales volumes, therefore increasing capacity utilisation.

5.1.3 Imports

Donhad advised that it imported a small volume of grinding balls from China because it finds them relatively difficult to manufacture in Australia. The value and volume of grinding balls imported by Donhad in the investigation period was [insert value], representing less than [insert percentage] per cent of its total sales volume.

5.2 Customer base

Donhad’s customers are mainly mining companies of gold, copper, nickel etc. The largest customers by sales volume include [insert customer name] (____ per cent) and [insert customer name] (____ per cent).

5.3 Ordering, invoicing and delivery arrangements

Donhad indicated that grinding balls are mostly sold under what it refers to as ‘Umbrella Agreements’. These agreements generally apply for one or two year periods. These agreements are put in place where Donhad has successfully responded to a tender request issued by a mine.

The agreements cover various aspects of the buyer and seller relationship including fixed prices, price adjustment conditions, lead times, payment terms, delivery or collection arrangements and quantity.

Customers will subsequently order grinding balls as required and via by phone or email. Orders are raised by Donhad in the SAGE Line 500 (SAGE) accounting software system.

A small amount of sales are made on consignment whereby Donhad maintains certain agreed levels of stock at a customer’s premises. For example for one customer in QLD, stock is held near the customer’s mine sites. Donhad charges and invoices the customer on the basis of its usage of grinding balls. Donhad explained that QLD is logistically difficult to supply, therefore it must hold stock there which is a working capital cost (opportunity cost).

Donhad advised that the invoice date is recognised as the date of sale and is usually within a day or two of the despatch of product.

The grinding balls are sold in “bulk” (e.g. loaded onto the back a truck) or in drums. Sales in bulk are in actual tonnes. Donhad work out the tonnage sold in drums by multiplying the weight of the contents of the drum by the amount of drums sold. Some customers also purchase the drums at approximately $____ a drum.

Goods are sold direct to the mine, there is no intermediary and are transported generally by road.

5.3.1 Payment and delivery terms

Donhad explained that the majority of its sales are on an ex-works (EXW) basis. Donhad listed the delivery terms in A-4 according to a delivery code. Using the delivery codes we confirmed that approximately [insert percentage] per cent of sales were EXW.
Payment terms for most customers range from 30 days.

5.3.2 Discounts and rebates

Donhad generally does not provide discounts/rebates to its customers. However, it was found that one rebate was provided to one customer in the investigation period. Total rebates for the investigation period amounted to $123,456 (0.5 per cent of total sales for domestic grinding media). This amount is considered immaterial.

5.4 Level of trade and related vs unrelated customers

Donhad advised that it has no related customers and therefore all transactions are conducted arm’s length.

Based on the information provided by Donhad we are satisfied that selling prices of grinding balls are to unrelated parties and can be relied upon in the assessment of the economic condition of the Australian industry.

5.5 Verification of sales data to audited financial statements

To assess the line-by-line A-4 sales data for completeness and relevance, verification to audited consolidated financial statements was undertaken. As previously indicated, Donhad is a wholly owned subsidiary of Valmont Group Holdings Pty Ltd. Valmont prepares consolidated financial statements on a calendar year basis.

Donhad explained that sales are recorded in its general ledger and invoiced in its SAGE system. Donhad also produces the following reports:

- Balanced Scorecards – includes customer, financial performance, price, operations and balance sheet data in excel for senior management review.
- Management reports for budget modelling extracted using the IDU concept system.

As Donhad’s financial reporting is on a calendar year basis, we selected 2014 as the period to verify information recorded in SAGE to the audited consolidated financial statements.

During the verification visit, Donhad provided a ‘Reconciliation from Valmont AFS to Donhad Sales and Profit’ report which reconciles the total revenue figure for Donhad in SAGE and the Balanced Scorecard of $1,234,567 million to the audited consolidated financial statements. Total revenue in the consolidated financial statements was $1,234,567 million. Donhad provided a report extracted from Valmont’s HFM financial system showing the total revenue for the group of $1,234,567 million and a breakdown of revenue segments including Donhad’s total sales of $123,456 million.

To verify the integrity of SAGE we also reconciled the 2014 total domestic sales for grinding media from A-4 and A-6 of $123,456 million to the 2014 Trial Balance, a variance of $123,456 (0.67 per cent) was detected. This is considered immaterial.
Copies of the working papers and information provided for the purposes of verifying Donhad’s sales data for completeness and relevance is at Confidential Attachment SALES 2.

5.5.1 Completeness and relevance of sales data - conclusion

Having regard to the above, we consider that the A-4 sales data provided represents reasonably complete and relevant accounts of the sales of grinding media during the period from 1 October 2014 to 30 September 2015.

5.6 Verification of sales data to source documents

To assess sales data for accuracy, verification to source documents was undertaken. The Commission selected ten sales from the A-4. The selected transactions covered various quarters, product models and customers within the investigation period.

For the selected transactions, Donhad provided the following documents:

• tax invoice;
• purchase order;
• despatch advice;
• bank statement; and
• remittance advice.

We consider the supporting documentation provided to be reasonable for verification. These documents form Confidential Attachment SALES 3.

5.6.1 Invoice/despatch details

We noted that the despatch advice contained sufficiently detailed information, by including the customer reference, supplier order number, invoice number, product size, despatch unit number and the number and weight of the grinding balls that made up the order. Combined with the commercial invoice, we were able to reconcile the transaction details reported in the A-4, including dates, volumes and values.

5.6.2 Proof of payment

Donhad provided remittance advices from customers that listed the individual invoices and payment amount. The invoices from the sampled sales were identified amongst the listing of invoices on the remittance advice and were found to correctly list the invoiced amounts.

The total remittance advice was credited to Donhad’s account in a provided bank statement/document.

We are satisfied that the invoice amount shown is the amount paid.
5.6.3 Accuracy of sales data - conclusion

Having regard to the above, the Commission considers the A-4 to be an accurate record of Donhad’s sales of grinding balls during the period from 1 October 2014 to 30 September 2015.

5.7 Sales – conclusion

The Commission considers that Donhad’s sales data is a reasonably complete, relevant and accurate reflection of the sales of grinding balls and is therefore suitable for analysing the economic performance of its grinding ball operations.
6 COST TO MAKE AND SELL

6.1 General

In support of its application, Donhad provided detailed cost to make and sell (CTMS) data on a quarterly basis for the period 1 July 2011 to 30 September 2015, (A-6). The data was segregated into domestic and export CTMS and was reported separately for each diameter of grinding ball produced.

6.1.1 Cost centres

Donhad provided a schematic of its cost centres (Confidential Attachment CTMS 1 refers). This schematic shows that Donhad has three separate business units being:

- grinding media (which includes grinding balls);
- forge; and
- selling, general and administrative (SG&A) costs.

Donhad explained that the grinding media business unit is broken down into cost centres for the production of grinding balls for each of its production lines in each of its three sites. There are separate cost centres for the resale of grinding rods and the quality assurance lab.

Forge business unit operations are only present in Bassendean. Forge uses distinct materials, manufacturing equipment, customers, ordering process, packaging and selling and it also has some standalone staff. The only shared services in Bassendean are the maintenance crew.

SG&A is reported separately for each site and there is a separate SG&A cost centre for forge business unit in Bassendean.

Donhad provided its chart of accounts at Confidential Attachment CTMS 2.

6.1.2 Reporting

At the visit, Donhad provided reports and demonstrations of its systems and processes to record the revenue and CTMS of grinding balls.

All costs are aggregated monthly and recorded in the general ledger using SAGE (an early ERP system). Data from SAGE is used to prepare the financial statements and is transposed to a spreadsheet referred to as the Pack. SAGE is also used for preparing work orders and for processing purchases and sales. Donhad also has a financial reporting and budgeting tool called idu-Concept that is used to extract data from SAGE.

Donhad provides financial reports to trial balance stage to its parent company in the USA on a monthly basis.

Data from the Pack is summarised in a monthly Scorecard report. The Scorecard report is compiled monthly for senior management and includes balance sheet, profit, sales and other key business performance information. The Scorecard reports reconcile with the quarterly financial statements. The quarterly financial statements provide the information for the consolidated annual financial statements of Valmont ANZ which includes information from several related entities in the region.
Donhad’s accounts are audited annually by Deloitte.

Donhad forecasts its costs for converting grinding bar to grinding balls annually. It prepares weekly actual vs budget reports for its operations managers.

6.1.3 Verification of cost to make and sell to financial statements

Donhad records its cost to make (CTM) grinding balls in separate cost centres for each manufacturing line. These costs are then consolidated in a SAGE report which is used to prepare Donhad’s Profit/Loss Statement.

We were able to verify that the information recorded in A-6 reconciles to SAGE and that SAGE reconciles with the information in the Scorecard reports and the Donhad quarterly financial statements. Donhad has satisfactorily demonstrated how the Donhad quarterly financial statements reconcile to the consolidated annual financial statements of Valmont ANZ. As such, any statement in this report indicating that information reconciles with data or a report from SAGE can be read as reconciling with the financial statements of Valmont ANZ.

Donhad advised that there is no difference in the CTM for export and domestic like goods.

6.2 Verification of cost to make to source documents

The CTM data in A-6 includes variable manufacturing costs and fixed manufacturing costs. Variable manufacturing costs consist of raw material costs, direct labour and variable overheads. Fixed manufacturing costs include items such as depreciation and overheads.

6.2.1 Production volumes

Donhad advised that it manages its production runs based on sales forecasts. Grinding balls are mostly made to order and generally orders are in [X] tonne lots.

The visit team noted that Donhad reported the unit CTM in its application with sales volumes as the denominator.

Donhad explained that this was because its accounting system records ‘cost of goods sold’ (COGS). Donhad considers this to be more accurate than making adjustments and associated assumptions to prepare the information on the basis of production volumes. Donhad also indicated that it kept minimal inventory and that inventory at year end was consistent from year to year. As such, it considers that the sales amount is equivalent to the production amount. To test the reasonableness of Donhad’s claims, the visit team asked Donhad to demonstrate its inventory levels. Donhad showed us a report from the Pack which demonstrated the year-end inventory levels.

We concluded that Donhad’s explanation was reasonable and that in calculating unit CTM, it is appropriate to use Donhad's sales volume as the denominator because the numerator is COGS. As outlined previously in section 5, the visit team is satisfied that the sales volumes are recorded accurately.
6.2.2 Variable manufacturing costs

Raw materials

Raw material costs relate solely to the cost of grinding bar. Grinding bar is the most significant component of the CTM, representing approximately [percentage] per cent of Donhad’s CTM. The remaining [percentage] per cent of CTM relates to the costs of converting grinding bar to grinding balls.

Donhad advised that each year it estimates a standard cost of raw materials. When the raw materials are received, the general ledger is debited an amount for inventory and credited an amount for goods received not invoiced. The difference between the inventory amount and goods received not invoiced is the purchase price variance which allows Donhad to record and allocate the actual costs to the like goods.

The total cost of local and imported raw materials in A-6 matched the total cost of raw material in the SAGE report. It was further verified by matching it to ledger balances that populate the Trial Balance report.

As mentioned previously, Donhad purchases grinding bar from OneSteel and unrelated Chinese suppliers. We selected a sample of invoices for verification to source documents.

Donhad demonstrated its process of recording raw material purchases and provided copies of the following source documents:

- purchase order;
- delivery docket;
- invoice;
- payment; and
- respective journal entries.

We found that the information in the source documents were recorded correctly (Confidential Attachment CTMS 3 refers).

Scrap

Donhad advised that its scrap rate is around [percentage] per cent which is netted down to around [percentage] per cent. About [percentage] per cent of wastage is offcuts that are sold as scrap metal. We verified the value of scrap metal sales and found that is not material and is netted off from the CTM of grinding balls.

About [percentage] per cent of waste is scale that is discarded in a waste management process.

Direct labour

Donhad advised that it has around [number] staff nationally (including forge). The cost of direct labour in A-6 matched the cost of direct labour in the SAGE report. It was further verified by matching it to ledger balances that populate the Trial Balance report.

Donhad’s process for paying and recording wages costs includes the monthly provision of an invoice from Donhad to Valmont for wages (Valmont withdraws Donhad’s cash holdings nightly and Donhad subsequently invoices Valmont for reimbursement for certain expenses including wages). Donhad provided a copy of a monthly invoice for wages. For the month of November, the invoice for wages was approximately $[amount]. Donhad
showed the visit team its weekly wage reports that included details of all employees, their respective roles and remuneration. This report demonstrated the allocation of wages to specific staff members whose roles were clear from the descriptions in the reports.

Donhad provided a copy of a report for week 5 November wages, totalling $[redacted] to demonstrate how the wages were allocated to the unlike goods (Confidential Attachment CTMS 4 refers).

We found that the cost of labour in A-6 was recorded correctly.

**Variable overheads**
Variable overheads include, electricity, packaging, indirect labour, repairs and maintenance and tooling. The cost of variable overheads in A-6 matched variable expenses in the SAGE report. It was further verified by matching it to ledger balances that populate the Trial Balance report.

**Electricity costs**
Donhad described its process of recording estimated and actual electricity costs. Donhad provided a copy of an invoice for electricity (Confidential Attachment CTMS 5). The invoice amount was allocated to various parts of the business. A breakdown by account number to various parts of its business was provided. Donhad provided a copy of a report from its idu-Concept system that displayed the relevant accounting entries and confirmed the allocation of electricity costs to grinding ball production.

**Transport costs**
Most sales are on an EXW basis. For those few sales on a delivered into store basis, the transport and handling costs that are recovered are recorded under variable costs. The process of quoting and recovering transport costs is that the sales manager obtains transport cost quotations from transport companies and includes the cost in the customer’s delivered into store price per tonne. Donhad fails to recover around $[redacted] of its transport costs.

**6.2.3 Fixed manufacturing costs**

**Depreciation**
The cost of depreciation in A-6 matched variable expenses in the SAGE report. Donhad provided its fixed asset register which calculates the depreciation at the end of each month (Confidential Attachment CTMS 6 refers). We found the fixed asset register matched the SAGE report.

**Overheads**
The cost of fixed overheads in A-6 matched the SAGE report. It was further verified by matching it to ledger balances that populate the Trial Balance report.

**6.2.4 Completeness and relevance of cost to make data - conclusion**
The visit team is satisfied that the CTM data in A-6 is complete, relevant and accurate.

**6.3 Verification of cost to sell**
The cost to sell in A-6 is included under a single category: administration costs.
Administration costs are allocated on the basis of sales value. The cost in A-6 matched variable expenses in the SAGE report.

6.3.1 Cost to sell - Conclusion
We consider the cost to sell information provided is a reasonably complete, relevant and accurate account of the actual costs to sell grinding balls during the period 1 July 2011 to 30 September 2015.

6.4 Costs to make and sell – conclusion
We consider that Donhad’s CTMS data in A-6 is a reasonably complete, relevant and accurate reflection of the CTMS for grinding balls during the period 1 July 2011 to 30 September 2015 and is suitable for analysing the economic performance of its grinding balls operations.
7  ECONOMIC CONDITION

7.1  Approach to injury analysis

The Commission used Donhad’s A-6 data and information from the ABF import database in its analysis of the economic condition of the industry. The analysis is based on quarterly data consolidated into yearly periods aligned with the investigation period.

7.2  The applicants’ injury claims

The applicants claim that the alleged dumping and subsidisation of grinding balls caused injury through:

- loss of sales volumes;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced revenue;
- reduced return on investment;
- reduced capacity utilisation; and
- reduced employment.

7.3  Volume effects

7.3.1  Sales volume

The applicants claim to have lost sales volume to Chinese manufacturers during the investigation period.

Donhad’s sales volumes are shown in the Figure 3, below.
Figure 3 shows that Donhad’s sales volumes declined in 2013/14 before recovering in 2013/14 (the investigation period). Overall, there has been a slight increase of less than one per cent in sales volume over the four years analysed. Given the increase in sales volumes, the visit team does not consider Donhad to have suffered volume injury on a macro level. As noted in section 8 of this report, Donhad provided specific instances where it considers it lost sales volumes on a micro level.

The Commission will continue to examine volume effects during the course of the investigation.

### 7.4 Price effects

#### 7.4.1 Price suppression and depression

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

The applicants claim that they have reduced selling prices in response to a substantial increase in competitive price offers in the Australian market from Chinese manufacturers in an effort to maintain sales volumes. As a result, the applicants claim that they have suffered material injury in the form of price depression and price suppression.
Figure 4 shows that Donhad's unit selling prices declined over the injury analysis period. Figure 4 also shows that Donhad’s unit CTMS declined over the injury analysis period. The gap between unit selling price and unit CTMS was greatest in 2012/13 but have again narrowed in 2013/14 and 2014/15.

Figure 1 above demonstrated that that over the investigation period, the Australian market for grinding balls expanded. Figure 3 above also showed that Donhad had marginally increased its sales volumes. Together Figures 1, 3 and 4 are consistent with the claims by Donhad that it has been forced to reduce selling prices in an attempt to maintain sales volumes.

The visit team considers that Donhad has experienced injury in the form of price depression and price suppression.

The Commission will continue to examine price effects during the course of the investigation.

7.5 Profit effects

7.5.1 Profit

The applicants claim that the Australian Industry has suffered material injury in the form of reduced profits and reduced profitability. It was submitted that the pricing pressures experienced as a result of the allegedly dumped and subsidised grinding balls exported from China has had a flow-on effect in relation to profit and profitability.
Figure 5 indicates that Donhad’s profits from sales of grinding balls have fluctuated. Profit was highest in 2012/13 before rapidly declining in 2013/14. Despite a minor improvement in the investigation period, profit has shown a minor overall decrease over the injury analysis period.

### 7.5.2 Profitability

The applicants claimed that the Australian Industry has suffered material injury in the form of reduced profitability.
Figure 6 shows that Donhad’s profitability (profit measured as a percentage of revenue) from sales of grinding balls was highest in 2012/13. Overall, profitability has increased slightly over the injury analysis period. However, profit and profitability may have been higher if selling prices were not depressed and suppressed.

The visit team considers that Donhad has suffered profit and profitability injury. The Commission will continue to examine profit effects during the course of the investigation.

7.6 Other economic factors

7.6.1 Revenue

The applicants claim that the Australian Industry has suffered material injury in the form of reduced revenue from sales of grinding balls in the investigation period.

![Revenue from Grinding Balls Sales](source: Donhad A-6.1)

Figure 7 indicates that Donhad’s total revenue from sales of grinding balls declined in 2012/13 and 2013/14. Despite a slight recovery in 2014/15, overall, there has been a fall in revenue over the injury analysis period.

In support of its claims relating to injury indicators below, Donhad provided information on a calendar year basis for years 2011 – 2014 in A-7 of its application. Donhad also provided information for the three quarters from January to September 2015. Due to the data being provided on a calendar year basis, the visit team on occasion, was unable to draw meaningful conclusions. It is also noted that the first six months of the 2011 calendar year includes data which is outside the injury analysis period.
7.6.2 Return on investment

Figure 8 – Return on Investment – Calendar years (* denotes part year)

Figure 8 indicates that Donhad’s return on investment related to the production of like goods increased in 2012, fell in 2013 and has recovered in 2014 and 2015.

7.6.3 Capacity utilisation

Figure 9 – Capacity Utilisation – Calendar years (* figures for 2015 have been extrapolated)

Figure 9 indicates that Donhad’s capacity utilisation related to the production of like goods declined over the injury analysis period, but has increased in 2015.
7.6.4 Employment

Figure 10 shows that Donhad’s employment levels related to the production of like goods fell from 2011 to 2013 and recovered slightly in 2014 where it has remained flat in 2015.

7.7 Conclusion

Based on an analysis of the information contained in the application and obtained during the visit, we consider Donhad has experienced injury in the form of:

- price depression and price suppression;
- reduced profit and reduced profitability;
- reduced revenue; and
- reduced employment;

At this stage, the visit team is not satisfied that Donhad experienced injury in terms of:

- loss of sales volumes;
- reduced return on investment; and
- reduced capacity utilisation.

The Commission will continue to examine Donhad’s injury claims during the course of the investigation.
8 CAUSAL LINK

The visit team discussed with Donhad whether the alleged dumping and subsidisation of grinding balls could be demonstrated to be causing material injury to the Australian industry.

8.1 Volume effects

Figure 11 indicates that over the injury analysis period:

- Donhad’s quarterly sales volume and revenue decreased slightly;
- quarterly exports from China increased significantly; and
- quarterly sales volume of all other suppliers increased slightly.

The quarterly value and volume of imported grinding balls from China in the October 2015 quarter were more than double of those in the December 2014 quarter. This increase is significantly greater than growth in the Australian market during the investigation period which was 10 per cent in volume and 7 per cent in value terms. It was also significantly greater than Donhad’s growth during the investigation period which was similar to the market as a whole at 11 per cent in volume and 8 per cent in value terms.

On a macro level, this analysis supports the applicant’s claims that there has been a significant growth of imported Chinese grinding balls in the investigation period.

On a micro level, Donhad indicated that it had lost a major customer, in Perth to Chinese supplier ME Longte. Donhad claims that lost sales volume to this customer was significant at around tonnes in 2015. Prior to losing this customer, Donhad claims it was running a production schedule of 6.5 days a week and was continuously running both the roll-form and SAG press lines in Bassendean. Now with the reduced volumes it is generally running one production line 5 days a week in Bassendean. Donhad explained...
that is now importing Chinese grinding balls via Port Hedland, which is a significant distance from Bassendean.

Donhad also stated that it has been prevented from participating in the significant growth of magnetite mining in WA, e.g. the Karara Mining project. Donhad claims that there has been no Australian participation for this project due to the existence of cheaper imported grinding balls from China. The Commission will further analyse these claims during the course of the investigation.

8.2 Price effects

8.2.1 Price undercutting

Price undercutting occurs when imported product is sold at a price below that of the Australian industry.

![Grinding Ball Price Chart](image)

Figure 12 – Grinding Ball Prices – Years ending September

Figure 12 indicates that Donhad’s prices have been undercut by the prices of grinding balls exported from China. However, the magnitude of undercutting decreased in the investigation period.

Donhad provided information to the Commission detailing instances where it believes it suffered material injury due to competition from suppliers of grinding balls exported from China at dumped prices (Confidential Attachment CL 1). This information included tender submissions and quotations to supply various mining operations as well as email exchanges between Donhad representatives regarding tenders and respective pricing matters.

Donhad further stated that in tender processes to mines its prices were undercut by Chinese exporters by slightly more than 10 per cent. Donhad believes this may have been influenced by requirements of various Australian Government assistance programs such as the Enhanced Policy By-law Scheme (EPBS). Under the EPBS, for example, an applicant, such as a mine, is required to demonstrate in an Australian Industry
Participation Plan that it has provided Australian suppliers sufficient opportunity to supply goods and services for the project for which it is seeking Government assistance. Donhad stated that by quoting more than 10 per cent less than an Australian supplier, a mine could source grinding balls from overseas and not breach the requirements of the EPBS. Donhad further stated that grinding balls could only be supplied by exporters at such prices if they were dumped.

The Commission considers at this stage of the investigation that the evidence and information provided by Donhad supports its claim of price undercutting from the allegedly dumped and subsidised imports from China. The information also supports claims that one of the main considerations in the purchase of grinding balls by mines is price.

The Commission will continue to assess price effects during the course of the investigation.

8.3 Profit effects

The Commission considers at this stage of the investigation that Donhad has experienced injury in the form of price depression and suppression. However, the Commission has found that over the investigation period, Donhad has achieved or maintained profit and profitability from the production and sale of grinding balls. Donhad explained that as part of its price setting process, it must achieve a profit on its sales. Within this pricing framework its ability to respond to price undercutting is limited by the commercial imperative of achieving a margin. Donhad advised that at times it could not lower its prices to meet prices of the Chinese product and would subsequently lose sales volumes.

The Commission will continue to profit effects during the course of the investigation.

8.4 Other possible causes of injury

During the visit, Donhad was asked whether other factors may have contributed to the injury it has suffered.

Donhad commented that the recent downturn in mining investment in Australia was not a cause of injury. Donhad stated that existing mines have ongoing requirements for grinding balls.

Donhad indicated that relationships exist between various mines, suppliers and manufacturers of grinding balls. The Commission will examine these claims in the course of its verification visits to importers and exporters.

Donhad indicated that tender processes to supply grinding balls resulted, in some instances, suppliers benefiting from information provided and obtaining grinding balls at prices that were so low that, in Donhad’s view, they must be dumped.

The Commission will continue to examine other possible causes of injury during the course of the investigation.
9 UNSUPPRESSED SELLING PRICE

At the verification visit Donhad made no comments on the calculation of an unsuppressed selling price and a non-injurious price. The verification team indicated that it would maintain contact with the company’s consultant on these matters and informed Donhad that it was welcome to make submissions on these topics.
## 10 APPENDICES AND ATTACHMENTS

<table>
<thead>
<tr>
<th>Confidential Appendices A-4, A-6 and A-7</th>
<th>Application Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidential Attachment GOODS 1</td>
<td>Process Flow Diagram – Newcastle Upset Forge</td>
</tr>
<tr>
<td>Confidential Attachment GOODS 2</td>
<td>Production Rates</td>
</tr>
<tr>
<td>Confidential Attachment GOODS 3</td>
<td>Product Specification Sheets</td>
</tr>
<tr>
<td>Confidential Attachment GOODS 4</td>
<td>Sample Test Results</td>
</tr>
<tr>
<td>Confidential Attachment SALES 1</td>
<td>Analysis of Donhad’s Sales Data</td>
</tr>
<tr>
<td>Confidential Attachment SALES 2</td>
<td>Upwards Sales Verification Documents</td>
</tr>
<tr>
<td>Confidential Attachment SALES 3</td>
<td>Downwards Sales Verification Documents</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 1</td>
<td>Cost Centre Schematic</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 2</td>
<td>Chart of Accounts</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 3</td>
<td>Raw Materials Source Documents</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 4</td>
<td>Wages Source Documents</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 5</td>
<td>Electricity Invoice</td>
</tr>
<tr>
<td>Confidential Attachment CTMS 6</td>
<td>Fixed Asset Register</td>
</tr>
<tr>
<td>Confidential Attachment CL</td>
<td>Tender Examples</td>
</tr>
</tbody>
</table>