



Anti-Dumping Commission  
Customs House  
5 Constitution Ave  
CANBERRA ACT 2601

Mr Arthur Vlahonasios  
International Trade Remedies Advisor  
Australian Industry Group

By email: [arthur.vlahonasios@aigroup.asn.au](mailto:arthur.vlahonasios@aigroup.asn.au)

Dear Arthur,

**INVESTIGATION INTO THE ALLEGED DUMPING AND SUBSIDISATION OF  
CERTAIN DEEP DRAWN STAINLESS STEEL SINKS EXPORTED FROM THE  
PEOPLE'S REPUBLIC OF CHINA**

During its ongoing investigation into the alleged dumping and subsidisation of deep drawn stainless steel sinks exported to Australia from China, the Anti-Dumping Commission (the Commission) has observed, or has received submissions in relation to, certain categories of goods imported under the relevant tariff classification for deep drawn stainless steel sinks (7324.10.00 (statistical code 52)) that either:

- a) may not be considered to be the goods subject to the investigation (and any resulting anti-dumping measures) as they fall outside the parameters of that description; or
- b) may fall within the goods description, but regardless be eligible for a Ministerial exemption from anti-dumping measures in accordance with s.8(7)(a) and/or s.10(8)(a) of the *Customs Tariff (Anti-Dumping) Act 1975* (the Customs Tariff Act).

If satisfied that goods being imported are in category a) above (not falling under the goods description), the Commission would consider that these goods should not be subject to any anti-dumping measures that may result from its investigation, and would advise importing parties of their right to claim that those products are not the goods subject to measures.

In the case where the Commission is satisfied that goods are eligible for an exemption under the Customs Tariff Act, the Commission will recommend that the Parliamentary Secretary to the Minister for Industry (the Parliamentary Secretary) specifically exempt those goods from anti-dumping measures. This recommendation may be made at the time of delivering the final report to the Parliamentary Secretary in relation to the ongoing investigation, or at a later date.

As the applicant for the above investigation, I write to seek your client, Tasman Sinkware Pty Ltd's (Tasman) views in relation to these matters, each of which I have outlined below.

### Laundry unit 'kits'

The Commission understands that Australian businesses are importing goods that have been described as laundry unit 'kits'. These consist of a 'lipped' deep drawn laundry tub and components necessary to assemble a free-standing laundry cabinet, which the lipped laundry tub is inserted into the top of to form an assembled laundry unit.

These 'kits' may include all necessary components to assemble the free standing laundry unit (e.g. laundry tub, cabinet walls and pieces, and assembly components such as nuts, bolts, etc.) or may just include the lipped tub and the cabinet pieces.

The Commission understands that these laundry unit 'kits' are invoiced collectively as one item (i.e. the tub and the cabinet are not invoiced or sold separately).

The Commission considers that, as these goods are arguably no longer a 'deep drawn stainless steel sink' but rather a laundry unit kit that only partially includes a deep drawn stainless steel sink, they may no longer fit within the parameters of the goods description and hence are not subject to the investigation or any resulting anti-dumping measures.

### Lipped laundry tubs

The Commission is aware of importations of the above-mentioned lipped laundry tubs for assembly with cabinets to become laundry units without the cabinet components (i.e. the tubs purchased and invoiced separately from the laundry cabinet needed to assemble the product into a laundry unit).

As outlined above, these laundry tubs are deep drawn stainless steel bowls that include a 'lip' allowing the goods to be inserted onto the top of a free standing laundry cabinet.

The Commission has received submissions from interested parties that:

- these lipped tubs are only able to be used for assembly into free-standing laundry units and may not be installed into bench tops due to the existence of the lip;
- Tasman does not make lipped tubs but rather makes laundry tubs that are designed to be mounted into a bench top;
- Tasman-manufactured laundry tubs cannot be installed on top of a free-standing laundry cabinet to make a laundry unit in the way that lipped tubs can; and
- therefore, like or directly competitive goods to lipped laundry tubs are not manufactured in Australia and hence lipped laundry tubs should be exempted from any anti-dumping measures that may result from this investigation.

### Cleaner's sinks and hand wash basins

The Commission received a submission (dated 5 May 2014) on behalf of Tom Stoddart Pty Ltd (Stoddart's), alleging that it imports products identified as 'cleaner's sinks' and 'hand wash basins' that it contends are:

- not the goods subject to the investigation (and hence any subsequent anti-dumping measures); and
- if they are considered to be the goods subject to the investigation, should be exempted from any resulting anti-dumping measures under s.8(7)(a) and/or s.10(8)(a) of the Customs Tariff Act.

I have attached the submission from Stoddart's for your reference, which outlines that entity's claims. The submission is also available on the Public Record at [www.adcommission.gov.au](http://www.adcommission.gov.au).

[REDACTED] [CONFIDENTIAL TEXT  
REDACTED – DETAILS OF PROGRESS ON THIS MATTER]

#### Tight corner radius sinks

In a submission lodged on behalf of Abey Australia Pty Ltd (Abey) dated 30 April 2014, Abey claims that goods produced by Tasman in Australia are not like goods to its range of imported sinks with a comparatively small corner radius.

We note that Tasman has responded directly to the claims made by Abey in a submission dated 20 June 2014.

The Commission is continuing to consider this issue and will make a determination on this matter in its Statement of Essential Facts.

I look forward to receiving Tasman's comments on the above.

Should you have any questions concerning this matter, please contact me on telephone number +61 2 6275 6173, fax number +61 2 6275 6990 or email [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au).

Yours sincerely,



Andrea Stone  
Manager, Operations 2  
Anti-Dumping Commission

21 August 2014

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5 May 2014

**By Email: [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)**

The Director  
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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

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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 Stoddard 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 Stoddard 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 (C<sup>th</sup>) 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 Stoddard 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**

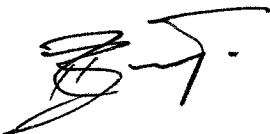
Stoddart Manufacturing understands that Tasman has not directed this anti-dumping and countervailing complaint to the activities of Stoddart Manufacturing and that Tasman does not have any issue with Stoddart Manufacturing seeking to have its products described in this submission from being exempted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