

26 September 2014

Ms Andrea Stone  
Manager, Operations 2  
Anti-Dumping Commission  
Customs House  
5 Constitution Ave  
Canberra ACT 2600

**RE: Dumping Investigation into Stainless Steel Sinks Exported from China –  
Lipped Stainless Steel Bowls for Laundry Units – Submission by  
Everhard Industries Pty Ltd**

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Dear Ms Stone,

We refer to the Anti-Dumping Commission's (**Commission**) verification at Everhard Industries Pty Ltd (**Everhard**) on 4 June 2014 and the visit report published by the Commission on 18 July 2014. During the verification, the Commission advised that lipped stainless steel bowls that Everhard imported during the period of investigation for assembly with Australian-made cabinets into standalone laundry units (**Lipped SS Laundry Tub Bowls**) may be considered subject goods of the investigation.

We further refer to the Commission's letter to applicant regarding goods issues published on 21 August 2014, in which the Commission summarised the submissions that it has received in opposition to the position in which Lipped SS Laundry Tub Bowls are treated as subject goods of the investigation.

We wish to make the following submissions on this issue.

#### **1. Lipped Stainless Steel Laundry Tub Bowls**

The Lipped SS Laundry Tub Bowls that Everhard imports are manufactured in three different sizes (capacities) to suit various applications and laundry configurations. They are available in 30Lt, 45Lt and 70Lt bowl configurations (capacities). The unique lipped top edge of the Lipped SS Laundry Tub Bowls is designed to lock-in and firmly secure the bowls to one of our metal or Australian-made polymer cabinets. These are then sold as a complete free standing laundry unit. The Lipped SS Laundry Tub Bowls cannot be used in any other application. Further, the Lipped SS Laundry Tub Bowls are not manufactured in Australia.

Both Everhard and Milena manufacture injection moulded lipped polymer bowls in Australia. Such bowls are also fitted to either a metal or polymer cabinet for the Australian market to provide the consumer with a choice at the point of purchase.

## 2. Lipped Stainless Steel Laundry Tub Bowls are not “like goods”

Lipped SS Laundry Tub Bowls are not “like goods” for the purposes of this investigation.

Lipped SS Laundry Tub Bowls are not interchangeable with drop-in / benchtop sinks, which are the subject goods of this investigation due to their shape, configuration and application. In particular, Lipped SS Laundry Tub Bowls have a unique design and can only be used with cabinets that are also designed to accommodate such specific “lipped” bowls. Due to their specific design, Lipped SS Laundry Tub Bowls cannot be used in a bench top. Bench top laundry sinks cannot be used on a cabinet without a “lip” as the bowl would simply fall off the cabinet.

The pictures below show the differences between a Lipped SS Laundry Tub Bowl which is assembled with Australian-made cabinets into standalone laundry units and a bench top laundry sink.



**Nugleam Supreme** – 45 Lt stainless steel lipped laundry bowl fitted to an Australian made polymer cabinet. Sold as a free standing unit.



**Nugleam Standard** – 45Lt stainless steel lipped laundry bowl fitted to a powder coated metal cabinet. Sold as a free standing laundry unit.



**Benchline** – 45Lt stainless steel benchtop sink. Will not fit a metal or polymer cabinet and can only be fitted to a benchtop application.

There is no manufacturer of Lipped SS Laundry Tub Bowls in Australia. Tasman Sinkware Pty Ltd (**Tasman**), the applicant of this investigation, does not manufacture, import or sell Lipped SS Laundry Tub Bowls. Given the unique feature and application of Lipped SS Laundry Tub Bowls, their importation cannot cause material injury to an Australian manufacturer of the deep drawn stainless steel sinks. Further, given that there are no like or directly competitive goods manufactured or offered for sale in Australia, Lipped SS Laundry Tub Bowls should be considered being eligible for exemption from any measures that may be applied following the completion of the investigation in accordance with the *Customs Tariff (Anti-Dumping) Act 1975*.

### **3. Application of Lipped Stainless Steel Laundry Tub Bowls**

Everhard has manufactured stand-alone laundry tub and cabinets from various materials since 1926 – initially pre-cast concrete, then injection-moulded polymer. In the early 1980s, Everhard began manufacturing drop-in / benchtop polymer laundry bowls. In the 1990s, Everhard began importing stainless steel drop-in laundry bowls. Everhard introduced both of these products to meet a market need not being addressed by the stand-alone product.

Everhard is unaware of any Australian manufacturer / importer or any Australian builder who would regard the drop-in /benchtop and stand-alone tub as being interchangeable.

GWA is a recent exception and has made a submission to the Commission which we will discuss in section 4 below.

Free standing laundry units are generally used in the lower end laundry applications or by volume building companies due to its lower installation cost as compared to the drop-in / benchtop models which have to be fitted to a manufactured bench top cabinet. That bench top cabinet will usually be designed with drawers and other additions to meet the individual laundry layout requirements of the home owner.

To contend that benchtop laundry sinks (in stainless steel and polymer) perform the same function as a stand-alone tub and cabinet unit is to argue that Holden Barinas and Holden Caprice are interchangeable.

Everhard entered the drop-in/benchtop laundry bowl market in the 1980s and 1990s because of significant consumer demand for this higher-end, higher-cost product. Nevertheless the majority of laundry units installed in new Australian homes are stand-alone laundry tub and cabinet using Lipped SS Laundry Tub Bowls.

To the best of Everhard’s knowledge, there are only two Australian manufacturers of laundry tub bowls and stand-alone laundry tub and cabinet units, that is, Everhard and Milena . Both Everhard and Milena manufacture polymer drop-in laundry sinks and stand-alone polymer bowls and cabinets in Australia.

In contrast, Tasman manufactures stainless steel sinks used as drop-in / benchtop laundry bowls in Australia.

The table below shows the different types of laundry products that are manufactured or imported by Australian producers.

**Free Standing Laundry Units – Local Manufacturers Vs Importers**

	<b>S/S Bowls</b>	<b>Poly Bowls</b>	<b>Metal Cabinet</b>	<b>Polymer Cabinet</b>	<b>Assessories</b>
Everhard	Import	Local	Import	Local	Local
Milena	Import	Local	Not known	Local	Not known
Clarke	Import	No	Import	No	No
Tasman	No	No	No	No	No
Others	Import	No	Import	No	No

**4. GWA’s position**

We refer to the recent submission by GWA to the Commission on 3 September 2014 in which GWA contended that Lipped SS Laundry Tub Bowls are “like” goods for the purpose of the investigation.

Everhard disagrees with GWA’s contention which is contrary to GWA’s earlier position expressed during the Commission’s verification at GWA and subsequently outlined in the Commission’s visit report published on 18 August 2014.

In the visit report, GWA’s position was described as below:

*Tasman’s ‘Laundry’ range sinks do not meet GWA’s requirements for assembly into standalone laundry units and are not like to GWA’s lipped sinks...Tasman’s products are designed to be incorporated (i.e. mounted) into a bench top and thus lack the metal lip/overhang that allows the sink*

*to slot directly onto the top of laundry cabinet to form a laundry unit. GWA advised that because Australian industry did not manufacture what it considered to be 'like goods' to its imported laundry sinks, it did not include any laundry sinks in its response to the Importer Questionnaire. (page 14)*

However, GWA changed its position in the recent submission arguing that Lipped SS Laundry Tub Bowls and drop in tubs are “like” due to their commercial and functional likeness.

We do not agree with GWA’s position in its recent submission but agree with its position as stated in the visit report.

*Further, we find support in Milena’s submission to the Commission on 3 September 2014 which contends *Venture DMG recommends that Lipped Laundry Troughs exported from China be excluded from the Duty and categorised as not the goods. We submit this application requesting you take action to exempt these sinks on the grounds that our Stainless Steel Trough and Polymer stand-alone cabinets on offer are in no way considered competitive to those goods offered for sale in Australia by Tasman Sinkware Pty Ltd. Tasman will not be affected by our importation of these units as we do not compete against them in any way with our Laundry Trough and Cabinets. It is a product which they are not manufacturing and selling.**

*Should the Levy apply we anticipate the following happening to our business:*

- *Lost sales volumes*
- *Reduced market share*
- *Loss of profits and profitability*
- *Reduced return on investments*
- *Reduced capacity utilisation and*
- ***Reduced employment numbers***

*This levy would have a severe negative impact on our viability as an employer in the Victorian manufacturing sector which is already under severe pressure to remain viable”.*

## **5. Everhard**

Everhard is a family owned business established in Brisbane in 1926. The Company manufactures, imports & distributes products used by the building & plumbing industries. The company’s first product was a pre-cast concrete laundry tub & stand. The company has continuously manufactured & marketed laundry units for the past 88 years. Some of its laundry products are now imported. These laundry units are

sold nationally to recognised hardware and plumbing merchants along with other Everhard products. We are a SME – we employ about 125 people.

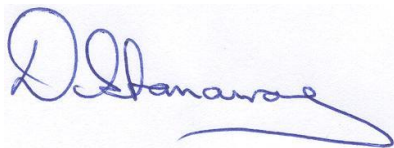
Everhard will suffer material harm if stainless steel laundry bowls which are imported from China ( that are to be fitted to Australian made polymer cabinets ) are subject to anti-dumping duties, This will add considerable cost to the Australian made laundry unit which in turn will have a higher manufactured cost and in turn a higher price than other fully imported laundry units which are imported from China which are currently considered to not be “like goods”.

Our polymer cabinets are injection moulded and assembled at our Geebung plant and are then fitted with either a stainless steel or polymer bowl to form a free standing laundry unit. The polymer bowl and accessories are also manufactured at our Geebung plant with the “ Lipped “ Stainless Steel laundry tub bowl being the only component that is imported from China.

All “ Lipped “ Stainless Steel laundry tub bowls being imported into Australia either with an imported cabinet and accessories or to be fitted to an Australian made polymer cabinet should be deemed not “like goods “ and be exempted from the investigation.

Should you have any queries or need further information, please do not hesitate to contact us.

Yours faithfully



Doug Stanaway  
Chief Executive Officer /  
National Sales & Marketing Manager