



CUSTOMS ACT 1901 - PART XVB

**CONSIDERATION REPORT
NO. 643**

**APPLICATION FOR AN ANTI-CIRCUMVENTION INQUIRY INTO
THE SLIGHT MODIFICATION OF GOODS**

**ROD IN COIL EXPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA**

23 April 2024

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ABBREVIATIONS

ABF	Australian Border Force
The Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
ADRP	The Anti-Dumping Review Panel
The applicant	InfraBuild (Newcastle) Pty Ltd (InfraBuild)
The circumvention goods	concrete reinforcing steel mesh
the commission	Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
China	People's Republic of China
DCR	Dumping Commodity Register
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
EPR	Electronic Public Record
the goods	rod in coil
IDD	interim dumping duty
Investigation 301	the original investigation
The then Minister	the then Minister of Industry, Science and Technology
The Minister	the Minister for Industry, Science and Technology
original notice	the dumping duty notice published under section 269TG(2), ADN No 2016/047
The then Parliamentary Secretary	the then Assistant Minister for Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science
the Regulation	<i>Customs (International Obligations) Regulation 2015</i>
REP 301	<i>Anti-Dumping Commission Report No. 301</i>
REP 562	<i>Anti-Dumping Commission Report No. 562</i>
RIC	rod in coil

1 SUMMARY AND RECOMMENDATION

1.1 Introduction

This report outlines the consideration by the Anti-Dumping Commission (the commission) of an application lodged by InfraBuild (Newcastle) Pty Ltd (InfraBuild, or the applicant)¹. The application requests that the Commissioner conduct an anti-circumvention inquiry in relation to the dumping duty notice (the original notice) applying to rod in coil (the goods, or RIC) exported to Australia from the People's Republic of China (China).

InfraBuild alleges that exporters have engaged in circumvention activities, through the slight modification of the goods exported to Australia from China.

1.2 Legislative background

Division 5A of Part XVB of the *Customs Act 1901* (the Act)² sets out, among other things, the procedures to be followed by the Commissioner of the Anti-Dumping Commission (the Commissioner) in assessing applications for an anti-circumvention inquiry in relation to a notice published under section 269TG(2) or 269TJ(2).

Division 5A empowers the Commissioner to reject or not reject such applications. If the Commissioner does not reject an application, they are required to publish a notice indicating that such an inquiry is to be conducted.³

Section 269ZDBB(6) provides that circumvention activity, in relation to a dumping and/or countervailing duty notice, occurs in the circumstances prescribed by the *Customs (International Obligations) Regulation 2015* (the Regulation).

Section 48 of the Regulation prescribes the slight modification of goods exported to Australia as a circumvention activity for the purposes of section 269ZDBB(6).

1.3 Background to Application

On 3 April 2024, InfraBuild, an Australian industry member producing like goods, lodged an application requesting an inquiry into the alleged circumvention of the anti-dumping measures applying to rod in coil exported to Australia from China.

Those measures were imposed on 22 April 2016, under Anti-Dumping Notice (ADN) 2016/047.⁴

In its application, InfraBuild alleges that several importers are importing goods that are slightly modified before export to Australia from China. Specifically, they claim that slightly modified goods exported to Australia from China have been rolled, cut to length and cross-welded into mesh sheets, which is not within the description of the goods covered

¹ Electronic Public Report (EPR), Item 1, available on the commission's website via www.adcommission.gov.au.

² All legislative references are to the *Customs Act 1901*, unless otherwise stated.

³ Section 269ZDBE(4).

⁴ ADN No. [2016/047](http://www.adcommission.gov.au).

by the original notice. Further information in relation to InfraBuild's claims is included in chapter 3.3 of this report.

In its application, InfraBuild claims that the Minister should alter the goods description in the original notice to include the goods which have been rolled, cut to length and cross-welded into mesh sheets. Further information in relation to InfraBuild's proposed changes to the goods description in their application is included in chapter 3.4.

1.4 Consideration of application and request for conduct of an anti-circumvention inquiry

Pursuant to section 269ZDBE(1), the Commissioner must examine the application and within 20 days, decide whether to reject the application. As such, a decision to reject the application must be made no later than 23 April 2024.

If the Commissioner is not satisfied, having regard to the application and to any other information that they consider relevant, of either or both of the matters referred to in section 269ZDBE(2), the Commissioner must reject the application.

The Commissioner has examined the application in accordance with Division 5A of Part XVB of the Act and the Regulation and is satisfied that InfraBuild have met the requirements for an application. This is on the basis that the Commissioner is satisfied of the following:

- the application complies with section 269ZDBD (as set out in section 3.3 of this report) and
- there appear to be reasonable grounds for asserting that there has been circumvention activity, through a slight modification of the goods exported to Australia, in accordance with section 48(2) of the Regulation (as set out in section 3.4 of this report).⁵

Further information on the commission's assessment of the application is included in chapter 3 of this report.

1.5 Decision

Based on the evidence currently available, the Commissioner has decided to not reject the application, for the reasons outlined in chapter 3 of this report.

⁵ Section 269ZDBE(2)(b).

2 BACKGROUND

2.1 Background to the anti-dumping measures

2.1.1 Original Investigation

On 22 April 2016, the then Assistant Minister for Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science (Parliamentary Secretary) imposed the anti-dumping measures applying to the goods. This followed the Commissioner's recommendations in the original investigation (Investigation 301). The findings of Investigation 301 are detailed in *Anti-Dumping Commission Report No. 301* (REP 301).⁶

The Anti-Dumping Review Panel (ADRP) reviewed the then Parliamentary Secretary's decision in respect of REP 301. On 13 January 2017, the ADRP published its finding that the decision of the then Parliamentary Secretary in REP 301 was not the correct or preferable decision. The ADRP recommended that the then Parliamentary Secretary revoke her decision and substitute it with a new decision with revised dumping margins.⁷ The then Parliamentary Secretary accepted the recommendations of the ADRP.

2.1.2 Review of Measures

Subsequent to investigation 301, the commission has conducted multiple reviews relating to the measures applying to the goods exported from China. These cases are summarised in table 1 below:

Case type and report	ADN No.	Date of decision	Country of export	Outcome
Review REPORT 413 & 414	2018/50	14 April 2018	China	Dumping duty notice varied in relation to exports from Jiangsu Shagang Group Co. Ltd and Hunan Valin Xiangtan Iron & Steel Co., Ltd.
Review REPORT 468	2019/11	15 February 2019	China	The variable factors were changed for all exporters from China.
Review REPORT 564	2020/141	24 December 2020	China	The variable factors were changed for all exporters from China.

Table 1: Summary of reviews conducted in relation to RIC exported from China.

2.1.3 Review of Measures

On 12 April 2021, the then Minister for Industry, Science and Technology, having considered the *Anti-Dumping Commission Report No 562* (REP 562) accepted the Commissioner's recommendation to continue the anti-dumping measures for a further five years. Subject to any future continuation inquiry, the measures are currently due to expire on 22 April 2026.

⁶ Electronic Public Record (EPR) [REP 301](#), document number 38

⁷ ADRP [Report No. 40](#)

2.1.4 Current Measures

Table 2 below summarises the anti-dumping measures currently applying to exports of the goods to Australia from China.

Exporter	Dumping Margin	Duty Method
All exporters	33.1%	Combination of fixed and variable duty method

Table 2: Current anti-dumping measures applying to RIC exported from China

Further details concerning the measures can be found on the *Dumping Commodity Register* (DCR) on the Commission's website.⁸

2.2 The goods the subject of the application

2.2.1 Description

The goods subject to the anti-dumping measures and this inquiry are:

Hot-rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The goods covered include all steel rods meeting the above description regardless of the particular grade or alloy content.

Goods excluded from the measures are:

Hot-rolled deformed steel reinforcing bar in coil form, commonly identified as rebar or debar, and stainless steel in coils.

2.2.2 Tariff classification

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

Tariff Subheading	Statistical Code	Description
7213		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF IRON OR NON-ALLOY STEEL
7213.91		Other
7213.91.00	44	Of circular cross-section measuring less than 14 mm in diameter
7227		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF OTHER ALLOY STEEL
7227.90		Other
7227.90.90	02	<i>Of circular cross-section measuring less than 14 mm in diameter</i>

Table 3: General tariff classification for the goods

⁸ The DCR is available [here](#)

2.3 The current application

InfraBuild alleges in its application that several importers are importing goods that are slightly modified before export to Australia from China. Specifically, they claim that slightly modified goods exported to Australia from China have been rolled, cut to length and cross-welded into mesh sheets, which is not within the description of the goods covered by the original notice. Further information in relation to InfraBuild's claims are included in chapter 3.4 of this report.

In its application, InfraBuild considers that the Minister should alter the goods description in the original notice to include steel rods that have been modified into mesh sheets having by weight a carbon content of less than or equal to 0.20%. Further information in relation to InfraBuild's proposed changes to the goods description is included in Chapter 3.5.

3 CONSIDERATION OF THE APPLICATION

3.1 Introduction

This chapter sets out the commission's consideration of the application.

As discussed in chapter 2.4, under section 269ZDBE, the Commissioner must, upon receiving the application, examine it and consider two criteria in relation to the application:

- whether the application complies with the content and lodgement requirements set out in section 269ZDBD (chapter 3.3)
- whether there appear to be reasonable grounds for asserting that one or more circumvention activities have occurred, in this case, whether there has been a slight modification of the goods (chapter 3.4).

For the reasons outlined in chapters 3.3 and 3.4, the Commissioner is satisfied that InfraBuild has met the above criteria and has decided to not reject the application for the conduct of an anti-circumvention inquiry.

3.2 Legislative background

Section 269ZDBD(1) requires that an application be in writing, be in a form approved by the Commissioner for the purposes of this section, contain such information as the form requires, be signed in the manner indicated by the form and be lodged in a manner approved under section 269SMS.

Without otherwise limiting the matters that can be required by the form, section 269ZDBD(2) provides that an application must include:

- a description of the kind of goods that are the subject of the original notice; and
- a description of the original notice the subject of the application; and
- a description of the circumvention activities in relation to the original notice that the applicant considers have occurred; and
- a description of the alterations to the original notice that the applicant considers should be made.

The approved application form further requires the applicant to provide evidence to support its view that the circumvention activity has occurred.

For the purpose of section 269ZDBB(6), a circumvention activity involving the 'slight modification of goods' requires a circumstance in which all of the following, as set out in section 48(2) of the *Customs (International Obligations) Regulation 2015* (the Regulation), apply:

- a) goods (the ***circumvention goods***) are exported to Australia from a country in respect of which the notice applies;
- b) before that export, the circumvention goods are slightly modified;
- c) the use or purpose of the circumvention goods is the same before, and after, they are so slightly modified;
- d) had the circumvention goods not been so slightly modified, they would have been the subject of the notice; and,

- e) section 8 or 10 of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act), as the case requires, does not apply to the export of the circumvention goods to Australia.⁹

For the purpose of determining whether there appear to be reasonable grounds for asserting that a circumvention good in this instance has been slightly modified, the Commissioner has also compared the circumvention goods and the goods the subject of the original notice, having regard to any factor considered relevant and the factors described in section 48(3) of the Regulation.

3.3 Assessment of the application

When considering whether the requirements of sections 269ZDBD(1) and (2) have been met, the commission notes that the application submitted by InfraBuild:

- was in writing
- was in the approved form (*Form B1236 – Application for an anti-circumvention inquiry*), and contains such information as the form requires
- was signed in the manner required by the form
- was lodged in a manner approved under section 269SMS, being by email to the Commission's nominated email address (as nominated in the Commissioner's instrument made under section 269SMS)
- provided a description of the kind of goods that are the subject of the original notice, and describes the original notice the subject of the application
- provided a description of the circumvention activity in relation to the original notice that has allegedly occurred and
- provided a description of the alterations to the original notice that should be made.

3.4 Reasonable grounds for asserting a circumvention activity has occurred

To determine whether there appear to be reasonable grounds for asserting that there has been circumvention activity in the form of a slight modification of the goods, the commission has compared the circumvention goods to the goods, having regard to the factors listed in section 48(2) of the Regulation.

3.4.1 Are circumvention goods exported to Australia from China?

In its application, InfraBuild alleges that import volumes for the circumvention goods exported from China increased since the then Minister published the original notice in the second quarter of 2016. InfraBuild alleges that there has been a near complete substitution of volumes of the goods to the circumvention goods.

To assess whether there appear to be reasonable grounds for InfraBuild to assert that exporters are exporting the circumvention goods into the Australian market, the

⁹ As the goods are not subject to a countervailing duty notice, section 10 of the Dumping Duty Act is not relevant to this inquiry.

commission analysed data on declared import consignments from China as reported in the Australian Border Force (ABF) import database.

Figure 1 illustrates the volume of steel mesh exported to Australia from China from January 2016, the year Commissioner published the original dumping duty notice, to December 2023.¹⁰

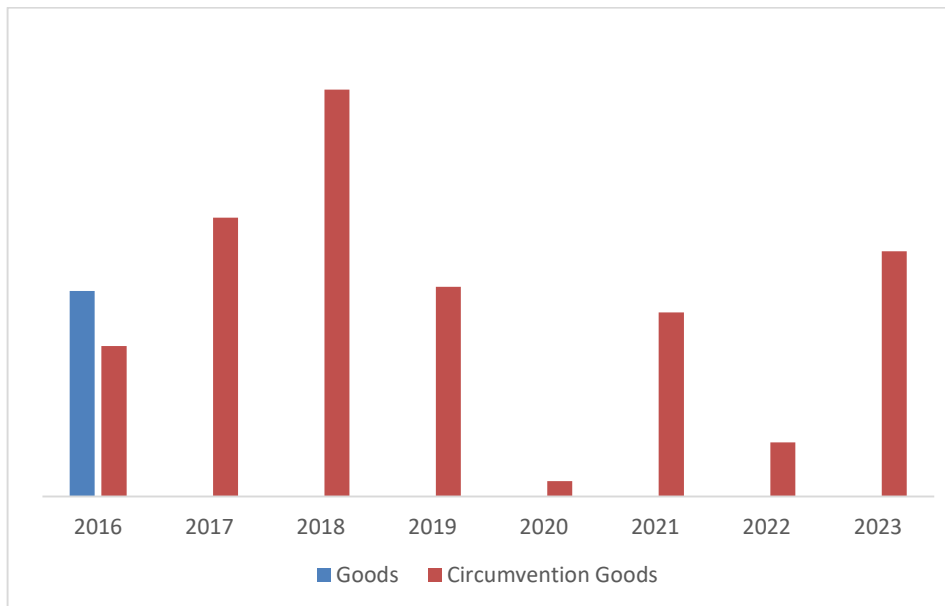


Figure 1: Imports of the circumvention goods and the goods¹¹

Figure 1 shows that since measures were imposed, there has been an increase in the volume of the circumvention goods imported into Australia from China, as declared under the tariff subheading 7314.20.00 with statistical code 24 in *Schedule 3 of the Customs Tariff Act 1995*. It was observed that the volume of circumvention goods, imported into Australia from China, increased in 2016 to an amount that was approximately 73% of the volume of goods importing during the same corresponding year. However, from 2017 onwards the volume of the goods imported has almost completely ceased. The commission observed that while the volume of the goods imported from China has all but ceased after the imposition of measures, imports of the circumvention goods have continued with volumes initially increasing and thereafter fluctuating year to year.

Based on the commission’s analysis and the evidence provided by InfraBuild in its application, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the alleged circumvention goods are exported to Australia from China and that the circumvention goods have replaced the goods in the Australian market.

¹⁰ The commission identified discrepancies in the ABF data import data. The commission applied data cleansing procedures to remove the outlier consignments.

¹¹ Confidential Attachment 1 – ABF import data analysis

3.4.2 Are the circumvention goods slightly modified before export?

InfraBuild alleges in its application that several importers are importing goods that are slightly modified before export to Australia from China. Specifically, they claim that slightly modified goods exported to Australia from China have been rolled, cut to length and cross-welded into mesh sheets, which is not within the description of the goods covered by the original notice.

Section 48(3) of the Regulation provides that, for the purpose of determining whether a circumvention good is slightly modified, the Commissioner must compare the circumvention good and the good the subject of the notice. In making the comparison, the Commissioner may have regard to any relevant factor, including the factors set out in section 48(3) of the Regulation.

Table 4 provides the commission’s preliminary assessment of these factors.

Factor listed under section 48(3) of the Regulation	Commission’s preliminary assessment
(a) each good’s general physical characteristics	<p>InfraBuild alleges that the goods and circumvention goods are alike and have similar general physical characteristics with the only difference being the presentation such as the shape and the cross-sectional diameter.</p> <p>Based on the primary physical characteristics of the circumvention goods and the goods being the same carbon content and colour, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the general physical characteristics are the same between the goods and the circumvention goods (except for thickness and form).</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(b) each good’s end use	<p>InfraBuild alleges that the goods and the circumvention goods are used in the same end-use applications (as mesh used as a reinforcing substrate in concrete).</p> <p>Based on the information the applicant provided relating to the marketing of the circumvention goods in the Australian market, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods are used primarily for the same end use as the goods, being concrete reinforcing steel mesh.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>

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Factor listed under section 48(3) of the Regulation	Commission's preliminary assessment
(c) the interchangeability of each good	<p>InfraBuild has claimed that the circumvention goods and the goods are interchangeable by customers. InfraBuild alleges that customers of the goods have changed their supply models from being local manufacturers of mesh to either direct importers or wholesalers of the circumvention goods while still supplying the same customers.</p> <p>Based on the information provided by the applicant, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods and the goods can be used interchangeably as mesh for reinforcing concrete.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(d) differences in the processes used to produce each good	<p>InfraBuild alleges that the goods are wholly manufactured into the circumvention goods using the same raw materials. The circumvention goods are produced on the same production line with a few additional processes to roll, cut and cross weld the goods into the circumvented goods.</p> <p>Based on the commission's understanding of the production process for the goods, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the goods and the circumvention goods are produced in a similar manner, using the same raw materials and similar production processes.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(e) differences in the cost to produce each good	<p>InfraBuild alleges that the cost to produce the circumvention goods compared to the goods would be minor. To support its claim, InfraBuild has provided a calculation of the cost to produce the goods and the circumvention goods based on Financial Year (FY) 2023 costs.</p> <p>The commission will seek to obtain further information during the course of the inquiry in order to assess this claim.</p>
(f) the cost of modification	<p>InfraBuild alleges that the costs of modification would be minor based on FY2023 costs to modify the goods in Australia. InfraBuild considers that the cost of modification in China would be significantly less than the rate of modification as calculated for Australia given the significantly lower labour rates in China.</p> <p>The commission will seek to obtain further information during the course of the inquiry in order to assess this claim.</p>

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Factor listed under section 48(3) of the Regulation	Commission's preliminary assessment
(g) customer preferences and expectations relating to each good	<p>InfraBuild alleges that the end use customer is the same for the goods and the circumvention goods as they have identical preferences and expectations given they are both made to the same standard of AZ/NZS 4671 which is designed to meet the requirements of manufactured reinforcing steel mesh.</p> <p>The commission will seek to obtain further information during the course of the inquiry in order to assess this claim.</p>
(h) the way in which each good is marketed	<p>InfraBuild alleges that the goods are marketed for use in the circumvention goods with the same standard of AS/NZS 4671, being the standard used to market the end use purpose of reinforcing steel mesh in concrete.</p> <p>Based on the information provided by the applicant relating to the marketing of the circumvention goods in the Australian market, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods and the goods are marketed in the same manner.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(i) channels of trade and distribution for each good	<p>InfraBuild alleges that the trade and distribution channels to market are identical for the goods and the circumvention goods.</p> <p>Based on the information provided by InfraBuild in the application, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods and the goods share the same channels of trade and distribution.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(j) patterns of trade for each good	<p>InfraBuild alleges that the circumvention goods have almost entirely displaced the goods in the Australian market.</p> <p>The commission analysed ABF import data (Confidential Appendix 1) and observed that the volume of the goods being exported to Australia has almost completely ceased while observing a significant increase in volumes of the circumvention goods entering Australia.</p> <p>Based on the information provided by InfraBuild in the application and the analysis of the ABF import data, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the patterns of trade appear to support the circumvention goods displacing the goods.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>

PUBLIC RECORD

Factor listed under section 48(3) of the Regulation	Commission's preliminary assessment
(k) changes in the pricing of each good	<p>InfraBuild claims that it is difficult to compare price differences between the goods and the circumvention goods because exports of the goods have largely exited the Australian market. InfraBuild also alleges that the circumvention goods have a pricing advantage over the goods in the market as they do not attract interim dumping duty of 33.1%.</p> <p>The commission will seek to obtain further information during the course of the inquiry in order to assess this claim.</p>
(l) changes in the export volumes for each good	<p>InfraBuild alleges that, after the publication of the original notice, multiple consignments of circumvention goods were exported to Australia by Chinese exporters and that importers have shifted away from importing the goods to importing the circumvention goods whilst still supplying the same customers. The commission analysed the ABF import data and observed that the volume of circumvention goods has increased while the volume of the goods has decreased.</p> <p>Based on the information provided by InfraBuild in the application and the commission's analysis of import data, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that there appear to be changes in the export volumes for the goods and the circumvention goods.</p> <p>This evidence will require further consideration during the course of the inquiry. There are no substantive findings at this stage with respect to whether circumvention activities in relation to the original notice have occurred.</p>
(m) tariff classifications and statistical codes for each good	<p>The circumvention goods and the goods are classified to different tariff subheadings. The goods are classified to tariff subheadings and statistical codes 7213.91.00 (44) and 7227.90.90 (02). The circumvention goods are classified to tariff subheading and statistical code 7314.20.00 (24).</p> <p>Based on the commission's analysis of ABF import data (confidential Appendix 1 refers), the commission observes that the circumvention goods and the goods appear to be classified to different subheadings.</p>

Table 4: Comparison of the goods and the circumvention goods

Having regard to the factors listed in table 4, where a preliminary assessment of the relevant factor is possible at this point, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods are slightly modified before exportation to Australia.

3.4.3 Is the use or purpose of the circumvention goods the same before, and after, they are so slightly modified?

InfraBuild alleges that the use and purpose of the circumvention goods and the goods are the same as they are both used as reinforcing substrate in concrete. Further, InfraBuild alleges that the circumvention goods and the goods can be used interchangeably in the end use application.

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In its application, InfraBuild provided marketing information to support its assertions that the goods and the circumvention goods can be used interchangeably. The information asserts that the circumvention goods are marketed for the same end-use applications as the end-use application of the goods subject to the original notice being steel mesh used as a reinforcing substrate in concrete.

Based on this information, the Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the use or purpose of the circumvention goods primarily have the same use or purpose before and after they are modified.

3.4.4 Had the circumvention goods not been slightly modified, would they have been the subject of the original notice?

InfraBuild alleges that, but for the circumvention goods not being so slightly modified, they would have been subject to the original notice.

As specified in the goods description outlined in section 2.3 of this report, the goods subject to the original notice encompass rod in coil with maximum cross sections that are less than 14mm, including all steel rods meeting the description regardless of alloy content. The circumvention goods do not fall within this description.

The Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that, had the circumvention goods not been so slightly modified, they would have been subject to the notice.

3.4.5 Does section 8 of the Dumping Duty Act apply to the circumvention goods?

The Commissioner is satisfied that there appear to be reasonable grounds for the applicant to assert that the circumvention goods do not fall within the description of the goods the subject of the original notice and accordingly, that they are not subject to the dumping duty notice under section 269TG(2). The Commissioner is satisfied that section 8 of the Dumping Duty Act does not apply to the export of the circumvention goods to Australia from China.

3.5 Applicant's proposed alternations to the original notice

Section 269ZDBH(1) provides that the Minister may declare alterations to the original notice. Without limiting section 269ZDBH(1), section 269ZDBH(2) provides that the alterations may be of the following kind:

- a) the specification of different goods that are to be subject to the original notice
- b) the specification of different foreign countries that are to be the subject of the original notice
- c) the specification of different exporters that are to be the subject of the original notice
- d) the specification of different variable factors in respect of existing exporters the subject of the original notice and
- e) the specification of variable factors in respect of exporters that are to be the subject of the original notice.

3.5.1 Proposed alterations to the goods description

InfraBuild considers that the Minister should alter the goods description of the original notice to deter circumvention by the slight modification of the rod in coil and include the specificity of steel rods that have been modified into mesh sheets and having a carbon content of less than or equal to 0.20%. InfraBuild proposes that the Minister alter the description of the goods as follows:

Hot-rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The goods covered include all steel rods meeting the above description regardless of the alloy content and includes steel rods that have been modified into mesh sheets having by weight a carbon content of less than or equal to 0.20%.

Goods excluded from the measures are:

Hot rolled deformed steel reinforcing bar in coil form, commonly identified as rebar or debar, and stainless steel in coils.

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

Tariff Subheading	Statistical Code	Description
7314		CLOTH (INCLUDING ENDLESS BANDS), GRILL, NETTING AND FENCING OF IRON OR STEEL WIRE; EXPANDED METAL OF IRON OR STEEL:
7314.1		Woven cloth:
7314.20.00	24	Grill, netting and fencing, welded at the intersection, of wire with a maximum cross-sectional dimension of 3 mm or more and having a mesh size of 100 cm ² or more

Table 5: General tariff classification for the circumvention goods

The commission will consider InfraBuild’s proposed changes to the goods description during the conduct of the inquiry.

3.6 Conclusion

As set out in section 3.3, the Commissioner is satisfied that the application has met the content and form requirements of sections 269ZDBD(1) and (2).

As set out in section 3.4, the Commissioner is satisfied that there appear to be reasonable grounds for asserting, under section 269ZDBE(2)(b), that a circumvention activity in relation to the original notice has occurred in the form of a slight modification of the goods, as per the circumstances prescribed in section 48(2) of the Regulation.

Therefore, the Commissioner has decided not to reject the application pursuant to section 269ZDBE(1).

PUBLIC RECORD

As outlined above, the assertions made by InfraBuild will require further examination by the commission during the course of the inquiry. No findings of fact have been made at this stage by the Commissioner about whether circumvention activities in relation to the original notice have occurred.

Pursuant to section 269ZDBE(6)(c), the anti-circumvention inquiry will examine whether circumvention activities in relation to the original notice have occurred.

In accordance with section 269ZDBEA, if, during the conduct of the inquiry and before the publication of the statement of essential facts, evidence becomes available that satisfies the Commissioner that that no circumvention activity in relation to the original notice has occurred, the Commissioner may terminate the anti-circumvention inquiry.

4 CONCLUSION AND RECOMMENDATIONS

The Commissioner has considered InfraBuild's application in accordance with section 269ZDBD. The Commissioner is satisfied, based on the information provided in the application and other relevant information as discussed in chapters 2 and 3, that:

- the application complies with section 269ZDBD and
- there appear to be reasonable grounds for asserting that a circumvention activity in relation to the original notice has occurred.

The Commissioner has therefore decided to:

- **not reject** the application and initiate an anti-circumvention inquiry in relation to the original notice applying to rod in coil exported to Australia from China and
- **examine** the period from 1 January 2015 to determine whether a circumvention activity has occurred.

5 APPENDICES AND ATTACHMENTS

Confidential Appendix 1

ABF import data analysis