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commercial + international

19 February 2025

**Director  
 Investigations  
 Anti-Dumping Commission  
 Department of Industry, Science and Resources  
 GPO Box 2013  
 Canberra  
 Australian Capital Territory 2601**

**By email**

Dear Director

**Intex Group International Pty Ltd  
 653 - Ceiling steel framing members from China (“csfm”)  
 650 - Steel corner beads and angles from China (“scba”)**

<b>A</b>	<b>The relevant market is not that of the “like goods”</b>	<b>2</b>
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We are the lawyers for Intex International Group (“Intex”), and we refer to the abovementioned investigations.

In our view, and in the view of our client, the applications made by Rondo Building Services Pty Ltd (“Rondo”, and “the applicant”) in these matters are an abuse of process.

We expect the Commission to see through this attempt by the owners of Rondo, who are the foreign multinationals Compagnie de Saint-Gobain (a Paris headquartered company listed on Euronext Paris) and Gebr. Knauf KG (a German registered company), to manipulate the Australian anti-dumping system for their own self-enrichment, as we now explain.

**NON - CONFIDENTIAL**

## A The relevant market is not that of the “like goods”

Case 653 is said to encompass these “goods under consideration”:

*Ceiling steel framing members, metallic coated, whether or not containing alloys, with a height of up to and including 45 millimetres, a width (face) up to and including 60mm, of a base metal thickness of up to and including 0.65 millimetres of varying steel grades.*

This translates to metallic coated steel framing members, clarified later to mean only the horizontal ones, height of 45mm or under, face width of 60mm or under, and having a BMT of 0.65mm or under.

Case 650 is said to encompass these “goods under consideration”:

*Steel corner/finishing beading and angles, metallic coated, whether or not containing alloys, whether or not drilled, punched, perforated or expanded, of all angle types, of a base metal thickness up to and including 40 millimetres of varying steel grades, with various leg profiles, at various widths and lengths.*

What this translates to is metallic coated steel corner beads and angles having a BMT of 40mm or under.

If you put the “like goods” that match these “goods under consideration” together, you cannot build a ceiling or a wall. There are many more pieces to a ceiling or wall system. Rondo knows this, as do the other Australian industry members.

Rondo markets steel wall framing systems:

*Rondo steel wall framing systems provide a durable, practical and lightweight structure for internal plasterboard walls to create attractive spaces within buildings, or external wall systems to provide direct support of the exterior cladding and interior linings.<sup>1</sup>*

Siniat also markets systems:

*Internal Stud Wall Framing Systems*

*Internal steel stud walls are used in commercial and high-rise applications such as office buildings and apartment blocks. They are light weight, quick to install, and the components are easy to deliver on site.<sup>2</sup>*

Studco Australia Pty Ltd (“Studco”) also sells systems:

*Your one-stop shop for steel stud wall framing. Studco wall framing systems are designed to provide the ideal solution for a variety of applications. From internal steel stud wall framing for plasterboard framing systems, to anti-creaking steel framing systems and curved track for building curved walls, chase walls or staggered stud walls; Studco has the framing system to suit your requirements.<sup>3</sup>*

As does our client:

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<sup>1</sup> See internet site [Rondo.com products/walls](https://www.rondo.com.au/products/walls).

<sup>2</sup> See internet site [Siniat.com Internal Stud Wall Framing Systems](https://www.siniat.com.au/Internal-Stud-Wall-Framing-Systems).

<sup>3</sup> See internet site [Studcosystems.com Walls](https://www.studcosystems.com/Walls).

*The Rubix™ partnership combines a range of design, engineering, site support services and materials to design, supply a certified and compliant wall and ceiling system, from initial concepts seamlessly through to building completion.<sup>4</sup>*

Parts for wall systems are mostly interchangeable. However, all reputable suppliers to the market bind their offering together as *wall systems*. They seek to sell their total *wall system* offering to their customers. For the most part end users choose their preferred supplier of parts that together make up a *wall system* based on factors that encourage the supply of all of the parts that make up that supplier's wall systems to the customer, to the exclusion of other suppliers. This is encouraged and achieved in the market concerned by each manufacturer's strong network and exclusive distributorships; by advertising and promotion that emphasises branding, design innovation, ease of construction and regulatory compliance; by important warranty conditions;<sup>5</sup> and by the competitiveness of the *overall* price of the system concerned.

Indeed, Rondo actively warns customers against "*mixing of systems*":

*The issue of mixing components produced by different systems' manufacturers in a suspended ceiling or drywall installation is of concern in the construction industry, as attention to onsite safety and systems performance increases.*

*Our ceiling and wall systems are designed to meet the relevant standards and codes applicable to all construction projects in Australia. Systems have been tested to meet the requirements of those standards and codes by independent testing authorities and the manufacturers. Framing components used during testing procedures are those produced by one manufacturer, as the components are designed to perform as a system.*

*Differing design criteria and production tolerances can mean the components may not perform as intended.<sup>6</sup>*

Rondo's applications refer to imported csfm and scba as being "*wholly interchangeable and substitutable*" with Rondo's csfm and scba, "*including all physical characteristics and appearances*". But Rondo admits the direct opposite in other publicly available statements:

- in its warranty conditions, as highlighted above:

*...differing design criteria and production tolerances can mean the components may not perform as intended,*

- and also in its product literature:

*...differences in steel base metal thickness, zinc coating protection, shape, manufacturing tolerances, and the absence of Rondo's innovative features, such as hemmed edges on steel studs, as well [sic] structural ribbing and knurling for stiffening. These differences highlight that the imported products tested are therefore not equivalent and should not be used where Rondo has been specified.<sup>7</sup>*

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<sup>4</sup> See internet site [Intex.com rubix by Intex](https://www.intex.com.au/rubix-by-intex).

<sup>5</sup> See Attachment 1 - The Rondo Warranty (4 September 2019) and Attachment 2 – The use of imported metal products in Siniat Systems (December 2024).

<sup>6</sup> See internet site [Rondo.com Rondo Warranty](https://www.rondo.com.au/rondo-warranty).

<sup>7</sup> See internet site [Cutting Corners Has A Cost](https://www.rondo.com.au/cutting-corners-has-a-cost).

Rondo cannot have it both ways.

The truth of the matter is that even if some wall system parts of different manufacturers may be interchanged, the manufacturers themselves do everything possible to differentiate and aggregate their products in order to shut out any “mix and match” mentality amongst customers. This strategy has delivered massive profitability to the Australian manufacturers, unaffected by the prices of imports of certain parts that *could* form part of their wall system sales *but generally do not*.

An injury assessment cannot divorce itself from the manner in which the market typically operates and how “the product” is defined in that market. In this case csfm and scba are individual parts of “the product”. They are not isolated as “the product”. Because there are so many other parts in “the product”, the individual prices of csfm and scba cannot be decisive with respect to any end user’s ultimate wall system preference.

If suppliers are selling *wall systems*, which is what every supplier admits doing, then the costs and prices of any individual parts to the system do not tell the story of whether the sale of the wall systems that the individual parts go into was profitable. Nor can it tell a reliable or complete story about the financial condition of the industry producing the like goods.<sup>8</sup>

The “products” Rondo makes from a consumer and market perspective are *ceiling systems* and *wall systems*. The totality of the parts in a *wall system* are “csfm”, “scba”, “studs”, “clips”, “window reveals”, and “others”. The parts are designed as a *system*, the machines are dialled-up to spit out the respective bits of metal that make-up the *system*, the *system* is marketed as a *system*, and the parts are affixed and assembled on site as a *system*.

## B Forget about “material” injury - there’s no injury at all

The investigation period is the 2024 financial year. On 6 January 2025, Rondo filed its financial report for that year with the Australian Securities and Investment Commission.<sup>9</sup> Let’s take a look at Rondo’s financial report for that year, being the period within which it must establish that the Australian industry (not just Rondo) has suffered material injury by reason of dumping.

For context, the product offering of the main players is as follows.

	Rondo	Studco	Siniat	Intex
<b>Metal</b>	☑	☑	☑	☑
<b>Plasterboard</b>	☒	☒	☑	☒
<b>Plasterboard accessories</b>	☒	☒	☑	☑

<sup>8</sup> Larger roll-formed pieces of steel in the form of vertical and horizontal studs, are the main items “missed out” in Rondo’s applications. These would seem to be the proportionally more expensive parts of wall systems, and the proportionately more profitable. Conversely, the data presented in Rondo’s applications show that csfm and scba are considered to be less important to the profit outcome, with Rondo accounting negatively for steel corner beads and angles at all times over all four years shown. The profit and profitability graph for steel framing members, showing that Rondo has always done worse in the past than it is presently, delivers the same message. The relevant product in the marketplace is a wall system. By separating out some parts of its wall systems, which it appears have always been individually priced at a loss, Rondo conceals the relevant “big picture” information from the Commission.

<sup>9</sup> See Attachment 3 – Rondo FY24 financial report.

In FY2024, Rondo enjoyed an after tax profit of AUD39.98m. It increased its net profit after interest and tax to 15.5%, compared to 13.6% in FY2023. It reduced its inventories by 17%; reduced its trade creditors by 18%; and paid fully franked dividends of AUD66.4m to its shareholders. These statistics amount to a stellar result, on any measure.

Similarly stellar results have also been enjoyed by other Australian industry members.

The uncontested price power of the Australian industry is even more remarkable when one considers the downturn in conditions in the building and construction industry in Australia before and during the investigation period. Under the headline “*Australia Construction Industry Report 2024: Output Slowed by 2.6% in 2024, Following a Major Slump of 9.1% in 2023*”, independent analytical consultants Research and Markets reported as follows:

*Australian construction industry will slow from 9.1% in real terms in 2023 to 2.6% in 2024, driven by persistent weakness in the residential sector, along with elevated interest rates, material supply constraints, and high construction costs.*

*According to the Australian Bureau of Statistics (ABS), the total number of housing units whose construction has been completed fell by 1.8% year-on-year (YoY) in the first six months of 2024, following an annual marginal growth of 0.6% in 2024.*

*Additionally, companies filing for insolvency within the construction industry rose by 65.9% YoY in the first 11 months of 2024, preceded by a sharp annual growth of 48.8% in 2023, according to the Australian Securities and Investments Commission (ASIC). However, the construction industry is expected to gain positive momentum from 2025, supported by an anticipated recovery in the residential and infrastructure construction sectors.<sup>10</sup>*

Rondo itself is financially profitable, and given the results experienced by other Australian industry members, it is evident that the Australian industry is profitable as a *whole*. It is not that there is no *material* injury – there is simply no injury at all. In such circumstances, Rondo’s injury claim with respect to csfm and scba - two minor kinds of parts amongst many other parts of multi-part *wall systems* - is fatuous.

## C Price gouging and resultant “profit-led” inflation

[CONFIDENTIAL TEXT DELETED – opinion about lack of support for Rondo’s applications]

That is a very relevant concern. According to the Australian Bureau of Statistics:

*Following the initial shock of the COVID-19 pandemic, prices received by Building construction businesses have increased 31.1% from September quarter 2020 to June quarter 2024 (Figure 1), driven by growth in House construction prices which rose 40.8% over this period. Prices received for Other residential building construction (25.3%) and Non-residential building construction (27.1%) also strongly contributed to the rise.<sup>11</sup>*

In the Final Report of his *Inquiry Into Price Gouging and Unfair Pricing Practices*, commissioned by the Australian Council of Trade Unions, Professor Allan Fels commented on COVID-created “*profit-led*” or “*seller’s*” inflation as follows:

<sup>10</sup> See internet site [Australian Construction Industry Report 2024](#) (4 February 2025).

<sup>11</sup> See Attachment 4 - [Insights into Output of Building construction prices](#) (2 August 2024).

*Instead, the leading role in this inflation was played by disruptions on the supply side of the economy: a breakdown in supply chains resulting from lockdowns and interrupted production, shortages of many essential commodities (from semiconductors to motor vehicles to building products), chaos in logistics and transportation networks (most obvious in international shipping), and then a global energy price shock following the invasion of Ukraine. Put together, these multiple crises imposed a sharp and lasting blow to productive capacity in many parts of the economy. They also created the conditions for certain companies, especially those occupying positions of strategic importance in the overall economic supply chain, to take advantage of that chaos and increase their prices – extracting larger profits and contributing centrally to the resulting acceleration of inflation. This process has come to be known as profit-led, or seller’s, inflation.<sup>12</sup> [underlining supplied]*

Our client advises us that the applicant massively increased the prices of its metal products, by just under 70%, in the 18 months up to the end of 2022, as depicted in the below table.<sup>13</sup>

Company	Date	Percentage	Product group
Rondo	March 2021	2.95%	Metal
	June 2021	7.00%	Metal
	September 2021	18.10%	Metal
	December 2021	17.25%	Metal
	September 2022	9.75%	Metal
<b>Total 18-month price increase</b>			<b>67.41%</b>

As shown, the total price increase announced was 67.41%. These price increases, which took place over 18 months far exceed the aggregated building cost increases recorded by the ABS in the entire September quarter 2020 to June quarter 2024 period.

The market power of the Australian industry with their “full suite of product and engineering offerings”, “exclusive distributors”, and “strong networks” is emphasised in this extract from a market and strategy report commissioned by Intex from **[CONFIDENTIAL TEXT DELETED – proprietary information regarding identity of consultant]**:<sup>14</sup>

**[CONFIDENTIAL REPORT EXTRACT DELETED – estimated plasterboard and metal market shares, and observations, challenges and opportunities regarding same]**

In its application, Rondo claims confidentiality for its corporate nationality, and recent changes thereto. However, its shareholder composition is well-known. Its two shareholders are Knauf, a global building materials company headquartered in Germany, and Saint-Gobain, a multinational company headquartered in France.

<sup>12</sup> See Final Report, *Inquiry Into Price Gouging and Unfair Pricing Practices*, Professor Allan Fels, Chair (February 2024), p 18.

<sup>13</sup> Compiled by Intex based on Attachment 5 – PMC (Plaster Metal Cladding) metal price variations (compiled from open source data accessed [here](#)).

<sup>14</sup> *Strategy Final Report*, prepared for Intex by **[CONFIDENTIAL TEXT DELETED – proprietary information regarding identity of consultant and date of report]**, page 29.

The chief executive of the AUD56bn French monolith, Benoit Bazin, said at the time of his company's acquisition of CSR last year (and consequently 50% equity in Rondo) that Australia was part of the company's "high-growth" bucket:

*France's Saint-Gobain acquired CSR in a \$4.3 billion deal earlier this year, ending more than six decades as a listed company. In an interview with the Financial Review's Chanticleer column earlier this month, Saint-Gobain chief executive Benoit Bazin said Australia was part of the company's "high-growth" bucket.<sup>15</sup>*

The record profit that Rondo has continued to report during the investigation period for injury is based on the unchecked extent to which it has been able to increase its prices for ceiling and wall systems. Now, Saint-Gobain wants to leverage even more profit out of its Australian investment.

Intex's prices for its imported wall systems have not affected the upward march of announced prices of the Australian manufacturers. Intex is a small competitor, holding a very small percentage of the market. It is up against Rondo and other major manufacturers who together control the vast part of the metal ceiling and wall systems market. Intex can do nothing in *volume* terms that can impact the Australian industry's *price* control of the ceiling and wall system market.

All of the evidence points towards the conclusion that the Australian industry is untrammelled in its pricing of the individual parts of ceiling and wall systems that Rondo has selectively advanced for the imposition of anti-dumping and countervailing duties.<sup>16</sup>

In the context we have explained, and in view of the Australian industry's rocketing prices during the injury investigation period,<sup>17</sup> and its continuing high profitability, Rondo's applications for anti-dumping protection against certain parts of metal wall systems are devoid of merit and lack integrity.

The allegation of injury appears to rely on nothing more than the triviality of an accounting cost/price difference between certain *parts* of wall systems that are typically sold as part and parcel of *wall systems* and deliver less individual profit, extending to an accounting loss, than the other parts, which deliver very substantial profit in the sale of those wall systems. This is dictated by the manner of competition between the major players in the ceiling and wall systems market, which are, unquestionably, the Australian manufacturers. That is the marketing and pricing paradigm in which the Australian manufacturers compete, and which has been deployed by them very profitably under COVID and post-COVID conditions.

Accordingly, we submit, as we have demonstrated, that the Australian industry has not been *materially injured*, nor has it been *injured at all*, by pricing of imported csfm or scba.

## **D [CONFIDENTIAL TEXT DELETED – price evidence and sources]**

**[CONFIDENTIAL TEXT DELETED – price evidence and sources]**

**[CONFIDENTIAL EXTRACT FROM EXCEL SPREADSHEET – price evidence and sources]**

<sup>15</sup> See CSR's 'extraordinary' insulation price rise could be gouging, Australian Financial Review (21 July 2024).

<sup>16</sup> Rondo evidently has strong concerns about compliance of ceiling and wall systems with relevant industry standards, but that is not something that an AD/CV investigation is designed to deal with. See E below.

<sup>17</sup> See Attachment 5 – PMC (Plaster Metal Cladding) metal price variations (compiled from open source data accessed [here](#)).

[CONFIDENTIAL TEXT DELETED – price evidence and sources]

[CONFIDENTIAL TEXT DELETED – price evidence and sources]<sup>18</sup>

Intex

Rondo

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[CONFIDENTIAL TEXT DELETED – product codes, Rondo-issued prices and Intex invoice price average and comparisons of same]

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[CONFIDENTIAL TEXT DELETED – price evidence and sources]

## E Is this really an anti-dumping case?

The Commission will be aware that Rondo has embarked on an inferential campaign criticising imports, referred to as *Cutting Corners Has A Cost*, which it summarises on its website as follows:

*Rondo conducted a 15-month investigation into imported steel wall and ceiling products. This involved six rounds of independent laboratory testing on steel products sourced from over five Australian suppliers importing from China.*<sup>19</sup>

Intex pursues excellence, innovation, and efficiency in the design, development, manufacturing, marketing, and supply of integrated solutions for the walls and ceilings industry and is fully cognisant of the standards required of ceiling and wall system parts in the Australian market. It is a proud local company that has extended its supply, production and sales reach across Australia and New Zealand and into important international markets such as the US, Germany, Taiwan and China. Intex stands behind the product it sells.

The point is that complaints about product standards should not be dressed-up as anti-dumping applications.

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In summary, we submit that the selective approach towards defining the goods under consideration cannot serve to establish that *injury exists*, or that it is *material*, or that injury is *caused by* dumped imports. [CONFIDENTIAL TEXT DELETED – opinion about market power]

The Commission must regard Rondo's financial performance in the sale of its wall systems as the relevant information for assessing injury by reason of the goods under consideration, and on that basis easily find that the complained-against wall parts are not causative of material injury.

Yours sincerely



**Daniel Moulis**  
Partner Director

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<sup>18</sup> Ibid.

<sup>19</sup> See internet site [\*Cutting Corners Has A Cost\*](#).



**F List of Attachments**

<b>No.</b>	<b>Document Title</b>	<b>Confidentiality</b>
1	The Rondo Warranty	NON-CONFIDENTIAL
2	The use of imported metal products in Siniat Systems	NON-CONFIDENTIAL
3	Rondo FY24 financial report	NON-CONFIDENTIAL
4	Insights into Output of Building construction prices	NON-CONFIDENTIAL
5	PMC (Plaster Metal Cladding) metal price variations	NON-CONFIDENTIAL