PUBLIC RECORD

Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

Australian industry verification report

Verification and case details

Initiation date	9 May 2024	**ADN**	2024/029
Case number	643		
The goods under consideration	Rod in coil		
Case type	Anti-circumvention		
Australian industry	InfraBuild (Newcastle) Pty Ltd		
Locations	InfraBuild Sydney Steel Mill (Rooty Hill) 22 Kellogg Road, Rooty Hill NSW and InfraBuild Mesh (Revesby) 61 Milperra Road, Revesby NSW		
Verification from	18 February 2025	to	20 February 2025
Review period	1 January 2015	to	31 March 2024

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

Contents

Introduction

InfraBuild (Newcastle) Pty Ltd (InfraBuild) provided data and information to the Anti-Dumping Commission (the commission) in relation to anti-circumvention case number 643 (case 643) into rod in coil (RIC) exported from the People's Republic of China (China).

A verification team (the team) visited InfraBuild to verify certain data and accuracy of claims made. Anti-Dumping Notice (ADN) 2016/30 describes the commission's verification procedure.[1]

In this instance, due to the nature of the inquiry (anti-circumvention – slight modification of goods), the team also sought to clarify other claims made by InfraBuild.

The verification was conducted at:

- InfraBuild Mesh (Revesby) at 61 Milperra Road, Revesby NSW
- InfraBuild Sydney Steel Mill (Rooty Hill) at 22 Kellogg Road, Rooty Hill NSW.

This report explains the team's key findings, including the evidence considered and material issues identified. This report also summarises the applicant's evidence for its claims in relation to subsection 48(3) of *the Customs (International Obligations) Regulation 2015* (the Regulation), which sets out the factors that the Commissioner may have regard to for the purpose of determining whether the circumvention goods are slightly modified.

The commission prepared this report to publish on the electronic public record for case 643.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).[2]

[1] www.industry.gov.au/sites/default/files/adc/public-record/adn_2016-30_-exception_based.pdf
[2] All legal citations in this report are to the Act unless otherwise stated.

1 Company background

In preparing this industry visit report, the verification team has considered:

- InfraBuild's application
- Submissions and responses to questionnaires received to date[3]
- Information received during the industry visit
- Other documents submitted by the applicant during and after the verification
- Relevant information from Investigation 655 *Hot rolled deformed steel reinforcing bar in lengths* (rebar) with the applicant's knowledge and permission.

1.1 Corporate structure and ownership

1.1.1 Company background and main operations

InfraBuild (Newcastle) Pty Ltd is part of the GFG Alliance, an international coalition of companies founded by the Gupta family in Britain. Arrium Limited and its subsidiaries were acquired by GFG Alliance in July 2017. InfraBuild has previously been known as OneSteel, Liberty OneSteel and Liberty Steel. InfraBuild's main operations are recycling, manufacturing and distributing long steel products. It states on its website that it is Australia's only fully vertically integrated steel manufacturer with end-to-end capabilities from scrap metal recycling and steel manufacturing to downstream distribution.

1.1.2 Significance of the goods to the company

RIC is an important product for InfraBuild as it is sold to customers (including mesh fabricators) and it is also used as input into the company's own mesh products.

1.1.3 Ownership structure

The applicant and related producers are private companies trading under the name "InfraBuild Steel" and share the same registered address and contact details. The applicant and its related parties are subsidiaries of InfraBuild (Manufacturing) Pty Ltd. This entity also contains InfraBuild Wire Pty Limited (Newcastle and Geelong wire mills) and SSX Services Pty Limited (SSX), a labour services company to the TASCO (The Australian Steel Company (Operations) Pty Ltd) owned and operated sites.

InfraBuild (Manufacturing) Pty Ltd is a subsidiary of InfraBuild Australia Pty Ltd. This entity is a subsidiary of Liberty InfraBuild Ltd. The Liberty Steel Group is part of collection of assets within what is referred to as the GFG Alliance. The GFG Alliance website states its employees 30,000 staff across 30 countries.

1.1.4 Related parties

Related suppliers include OneSteel Recycling Pty Limited for the non-exclusive provision of scrap metal used in the production of steel in electric arc furnaces and SSX Services Pty Limited who provides labour services to TASCO owned and operated sites. InfraBuild also uses billet produced by Whyalla steelworks, which is owned by OneSteel Manufacturing Pty Limited. Whyalla steelworks was formerly related to InfraBuild through its common

[3] Submissions on the electronic public record (EPR 643) up to document no. 17 had been received at the time of the verification visit.

ownership by the GFG Alliance group. On 19 February 2025, OneSteel Manufacturing Pty Ltd was placed into administration by the South Australian Government.[4]

The case team established the related party customers identified in the verification for case number 655 (case 655) are applicable to this verification. Details are contained in **Confidential Attachment 1**.

1.2 Statutory reporting requirements

Liberty InfraBuild Ltd (Liberty InfraBuild) is the reporting entity covering the accounts of InfraBuild NSW Pty Ltd, InfraBuild (Newcastle) Pty Ltd and TASCO. Liberty InfraBuild Ltd was subject to a half-year audit for the period ending 31 December 2023. This period covers the first quarter of the inquiry period for case 655 (i.e. 1 October 2023 to 31 December 2023). Liberty InfraBuild's auditors assessed the company as a going concern in accordance with AASB 134 concerning Interim Financial Reporting.

[4] https://kordamentha.com/insights/kordamentha-appointed-va-whyalla-steelworks-mining

2 Goods and circumvention goods manufactured in Australia

2.1 Production – manufacturing RIC and mesh in Australia

2.1.1 Production process

As a producer with end-to-end capabilities, InfraBuild produces its own billet, which is then converted into RIC (among other products not the subject of this inquiry), and then converted into mesh. The below processes summarise a more in-depth description, which can also be found in **Confidential Attachment 1**.

2.1.2 Production of RIC

InfraBuild receives scrap to convert into billet at its Rooty Hill facilities. Billet is transported to its RIC producing mill in Newcastle. RIC is then transported to Revesby to be converted into mesh. The verification team did not visit the RIC-producing mill in Newcastle; however, InfraBuild supplied a diagram of RIC (and mesh) production in its application. This depiction aligns with the commission's understanding of RIC production based on previous inquiries into RIC[5]. Production of RIC applies to the first 2 rows of Figure 1:

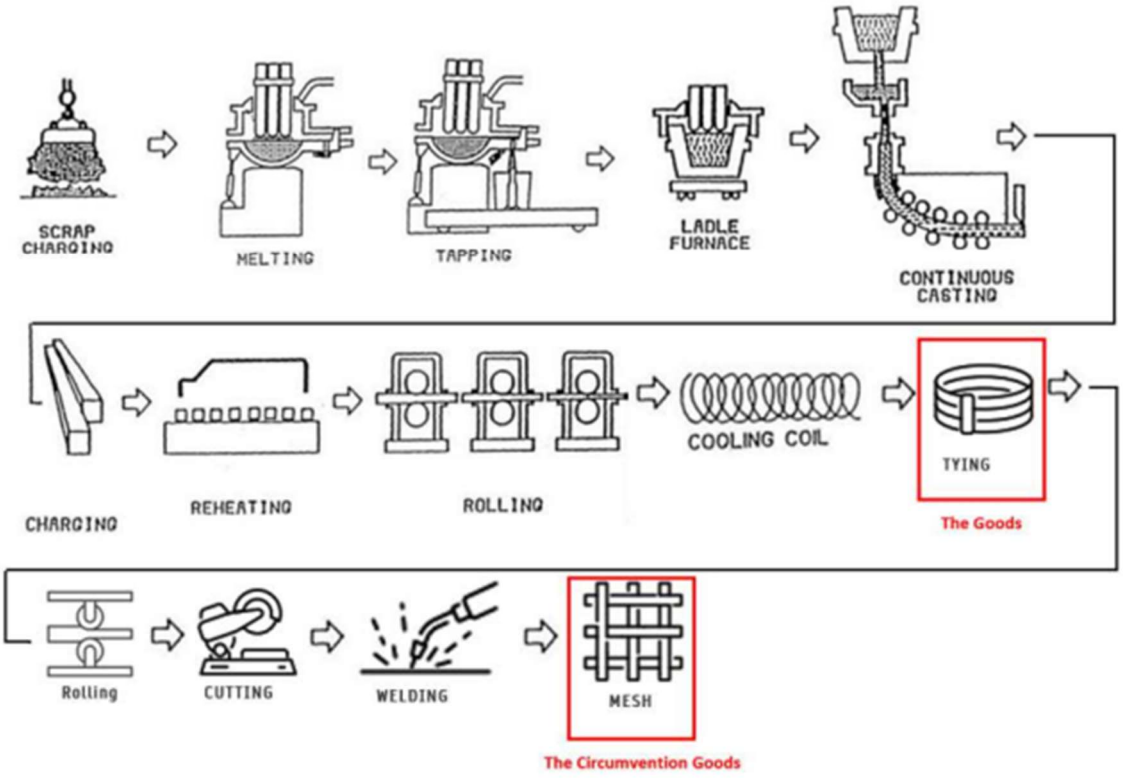

Figure 1: The applicant's depiction of how to produce the goods and the circumvention goods.

This information was considered sufficient to enable the case team to understand the process. It is in alignment with previous tours conducted of InfraBuild's facilities, and during this visit of the mesh-producing facility in Revesby, as well as the commission's case history.

[5] Archived cases (including INVs 240, 301, 331 and 416) can be found on the EPR at www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-epr.

Note that InfraBuild was careful in its submission[6] to distinguish between all RIC and RIC of the specification suitable for mesh, which the company refers to as “rod for mesh” and is further sold as “feed for mesh”. This was re-emphasised during the industry visit. Upon request, the applicant later provided the commission with an estimate of the size of market for all RIC and for rod for mesh (at **Confidential Attachment 1**).

2.1.3 Production of mesh (alleged circumvention goods)

The production process is summarised as follows:

- Coils of RIC are butt-welded together to ensure a continuous feed of RIC for loading onto 2 fingers, in preparation for rolling. Coil from one finger forms “line wires” and coil from the other forms “cross wires”.
- Cross wires are fed 2 at a time over line wires. The guillotine cuts the rolled RIC to length. The perpendicular cross wires are electrically welded to the line wires to form mesh sheets.
- Finished mesh sheets that exit the machine are stacked for transportation. Once an appropriate number of mesh sheets has been produced, it is tied by machine with a small portion of RIC.
- Tied mesh sheets are stacked onto trucks via forklift or crane. Mesh is likewise unloaded at the delivery site via forklift or crane.

Relevant points to note are:

- For manufacturers who do not produce their own billet or RIC, the raw input material comprises RIC. For InfraBuild, the preliminary steps of producing mesh from scrap as raw material are displayed in Figure 1 at ‘Production of RIC’. This point of difference as to the commencement of the production has been referenced in several submissions[7] and is to be considered by the case team.
- One exporter submitted that mesh can be weaved to produce mesh;[8] InfraBuild confirmed at the visit that weaving is not part of the process of producing reinforcing mesh and is only used for products such as fencing, which is not the subject of this inquiry (as neither the goods nor circumvention goods). The applicant stated that, colloquially and erroneously, the welding process may sometimes be referred to as weaving.
- The applicant explained that the first section of RIC is often unsuitable for feeding into the machine; this may be discarded as scrap. Anything that falls off the production line (e.g. from vibration) during mesh production may also be scrapped. Mesh sheets not meeting the Australian Standard are scrapped.
- The applicant provided the team with details of the most popular mesh sizes, which accounted for the majority of production volumes; therefore, the bulk of the RIC coming into the Revesby mill is directed into producing such mesh.

2.1.4 Production schedules

Production schedules are based on the order demand profile for mesh. Software is programmed to produce different models as required, with heavier models of mesh being slower to produce (based on sheets per minute).

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[6] EPR 643, document no. 13.
[7] EPR 643, document nos. 4, 5 and 8.
[8] EPR 643, document no. 12.

2.1.5 Suppliers of raw material and its availability

Raw material scrap to produce billet is supplied by both related and non-related scrap suppliers.

2.2 The goods the subject of the original notice

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.*

2.2.1 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	Of circular cross-section measuring less than 14 mm in diameter

Table 1: General tariff classification for the goods.

2.3 Proposed alterations to the goods description (the alleged circumvention goods)

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.*

2.3.1 Tariff classification

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 2: General tariff classification for the circumvention goods.

The commission notes that the amended goods description proposed by the applicant includes both “reinforcing mesh” and “trench mesh”. The applicant explained that trench mesh is typically used for trench footings and is narrower with wire diameters of 3 mm or 4 mm (but up to 5 mm). The applicant added that it is also possible to produce trench mesh from rebar but that the practice is not widespread.

2.4 Supply of goods and circumvention goods

InfraBuild sells most RIC (produced by it) to domestic mesh manufacturers who use RIC as an input material to produce mesh. InfraBuild is also a vertically integrated entity that produces mesh from its own RIC. Part of the application describes that supply to the market of the circumvention goods has changed due to the alleged circumvention activity – i.e. that mesh manufacturers now import sheets of mesh directly from exporters or via importers – which, in turn, reduces demand on InfraBuild’s supply of RIC.

2.5 Additional points of relevance relating to production

2.5.1 Standards

InfraBuild clarified that RIC is not certified to an Australian standard and that it is the mesh that is certified to meet the Australian standard AS/NZS 4671:2019 (*Steel for the*

reinforcement of concrete). The applicant asserts that RIC used for mesh must be of a grade that is suitable for modification into mesh. Grades of RIC used by InfraBuild to produce mesh are largely specified to meet the grade chemistry requirements defined for various grades in AS1442-2007 (*Carbon steels and carbon-manganese steels – Hot rolled bars and semi-finished products*) This standard broadly aligns with *ISO 2566-1 (Carbon and low alloy steels) grade designations and chemistry* (provided in InfraBuild's response to industry questionnaire).[9]

2.5.2 Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) accreditation

The Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) is an independent, not-for-profit body that conducts third-party certification of steel producers to ensure that products meet the requirements of Australian (and New Zealand) Standards. The relevance of ACRS accreditation was discussed during the industry visit.

RIC is quality-assured (chemistry and dimensions checked during production) but does not require ACRS certification. InfraBuild stated that it is only when the RIC becomes the reinforcing mesh (which is certified to AS/NZS 4671:2019) that it is necessary to obtain results of third-party accreditation. Indeed, ACRS (as a reinforcing steel certification body) will not certify RIC as it is not sold as a product requiring certification to a reinforcing steel standard.

ACRS accreditation requires significant time and effort to apply for and maintain. The applicant stated that exporters who obtain and maintain ACRS accreditation send a signal that they are serious about entering the Australian market; it is an investment by any entity, domestic or otherwise. The applicant likened the application process to an audit and described that an entity would not want to have to do it unless they sought some benefit. Some entities relinquish their certification due to the effort in maintaining it.

2.5.3 Relocation

During the verification visit, InfraBuild advised that it will be relocating its mesh-making facility from Revesby to Newcastle.

2.5.4 Model control codes (MCCs)

Model control codes (MCCs) are not typically relevant in an anti-circumvention investigation. At initiation, InfraBuild had suggested an MCC structure, which may become useful for future cases, should the anti-circumvention inquiry find in the applicant's favour. The MCC categories can be found in **Appendix 1**. No changes were proposed during the industry visit, though the applicant provided additional mapping of its mesh products to the MCCs at **Confidential Attachment 2**.

[9] EPR 643, document no. 9.

3 Australian market

3.1 Australian market background

The Australian mesh market comprises Australian industry (mesh manufacturers), exporters, importers, and traders/resellers. Both imported and locally produced mesh reinforcing products are purchased by traders/resellers or end users in the residential and commercial construction sectors. Mesh products are typically produced to order at the required size.

InfraBuild provided a confidential list of additional companies, such as mesh producers who entered and exited the Australian market in the review period (**Confidential Attachment 2**). This was in addition to a list of companies that InfraBuild named in its application as likely having an interest in this case.

Submissions from interested parties are available on the EPR.

3.1.1 Background to suppliers of RIC

Preliminary analysis of applicant data, submissions from interested parties and ABF data showed RIC was also exported from countries not subject to the measure. The largest export countries not subject to the measures (based on volume) include Vietnam, Singapore and Indonesia. In the review period, China is the only country that has measures imposed on its exports of RIC to Australia. These measures were originally imposed in April 2016 and continued in April 2021. In 2015, a dumping inquiry investigating exports from Indonesia, Taiwan and Türkiye was initiated with measures imposed on most exporters from Indonesia, all exporters from Taiwan and none from Türkiye.[10] In 2018, a dumping inquiry investigating exports from Indonesia, Korea and Vietnam was initiated and then terminated.[11]

3.1.2 Background to suppliers of mesh

There have been no previous investigations into imports of mesh into Australia; therefore, no measures apply to mesh. Preliminary analysis of applicant data, submissions from interested parties and ABF data showed that mesh was, and continues to be, exported from China. China is the largest exporter of mesh to Australia with volumes also being exported from Malaysia, Vietnam, Singapore and South Africa.

[10] EPR 240, document nos. 3 and 74.
[11] EPR 416, document nos. 4 and 38.

4 Sales verification and overview

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listings submitted by InfraBuild are complete and relevant by reconciling them to InfraBuild's financial systems, consistent with ADN 2016/30.

The team verified the relevance and completeness of the sales data for reinforcing mesh (including trench mesh) and RIC at a company level for the period of 1 April 2024 to 31 December 2024.[12] The team was able to verify the sales volumes and values for this period up to InfraBuild's management reports.

The team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

The team is satisfied that the sales data InfraBuild submitted is complete and relevant.

4.1 Sales overview

Customers can purchase RIC or mesh from InfraBuild or other import supply sources. InfraBuild calculates an offer price for mesh based on the price of RIC.

For the majority InfraBuild's sales of mesh, an ex-works (EXW) price is offered to customers. A rate for delivery and freight is invoiced based on a customer agreement that outlines the minimum order quantity for customers and the rates for delivery and freight.

InfraBuild provided the commission with sales listings for both mesh and RIC.

[12] Due to the timing of the visit, InfraBuild provided data up until 31 December 2024.

5 Verification and assessment of the cost of modification

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

As noted in the introduction, this report also focuses on aspects relating to subsection 48(3) of the Regulation. The team therefore focused on the cost of modification during verification.

The commission verified and assessed the cost of modification (also referred to as conversion costs) to manufacture mesh from RIC for each of InfraBuild's 3 mesh manufacturing sites. The commission has confirmed that the cost of production of the alleged circumvention goods aligns with InfraBuild's estimate in their application.

The costs of producing the circumvention goods includes RIC as the feed raw material. The calculation also takes into consideration the different cost of RIC between InfraBuild's 3 mesh-producing sites. The cost of producing the alleged circumvention goods includes the yield loss in the feed product, fixed and variable overheads, direct labour and depreciation. Costs in relation to SG&A expenses are excluded from this analysis.

The team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments at **Confidential Attachment 1**.

The team is satisfied that the CTM data provided by InfraBuild – in reference to the cost of modification of mesh – is complete and relevant.

6 Claims regarding slight modification factors

Subsection 48(3) of the Regulation sets out the factors that that the Commissioner must consider in comparing the goods and circumvention goods to determine whether a circumvention good is slightly modified:

(a) each good's general physical characteristics
(b) each good's end use
(c) the interchangeability of each good
(d) differences in the processes used to produce each good
(e) differences in the cost to produce each good
(f) the cost of modification
(g) customer preferences and expectations relating to each good
(h) the way in which each good is marketed
(i) channels of trade and distribution for each good
(j) patterns of trade for each good
(k) changes in the pricing of each good
(l) changes in the export volumes for each good
(m) tariff classifications and statistical codes for each good.

The following sections outline InfraBuild's claims in relation to the factors listed above made in their application and at the visit.

6.1 Physical characteristics[13]

InfraBuild claimed in their application that the goods subject to the measures are substantially used in the production of the circumvention goods. InfraBuild stated that:

> The goods (subject to the measures) have the following physical characteristics:
>
> - cross-sectional diameter of 5.5 mm to 13.5 mm
> - provided in coil form
> - carbon content of equal to or greater than 0.05%, and less than or equal to 0.20%
> - steel finish colour.
>
> The circumvention goods (mesh) have the following characteristics:
>
> - cross-sectional diameter of 4.2 mm to 11.9 mm
> - sheets up to 6.0 × 2.4 m
> - carbon content of equal to or greater than 0.05%, and less than or equal to 0.20%
> - steel finish colour.

InfraBuild acknowledged the difference in shape and cross-sectional diameter, but overall claim that there is overlap in the physical characteristics of the goods and the circumvention goods, with one being the feed material for the other. While the presentation of the goods and the circumvention goods is not the same, InfraBuild claim that the carbon content of the goods and the circumvention goods is identical; that is, RIC within this carbon content range (what the applicant refers to as rod for mesh) is suitable to be slightly modified into the circumvention goods (mesh) for application in the reinforcement of concrete.

The verification team notes, however, that there is no carbon content specified for the goods subject to the measures. The verification team understands that RIC that is subject to the

[13] Regulation 48(3)(a).

measures can be exported into Australia with a carbon content outside the parameters stated by InfraBuild. At the visit, InfraBuild stated that they have referred only to RIC that is intended for conversion into mesh, and not RIC with physical characteristics suitable for other downstream applications.

6.2 End use and interchangeability[14]

InfraBuild claimed that the goods subject to the measures (RIC) are the only material input in the circumvention goods (mesh). Both are ultimately used for the exact same end use application (as mesh used as a reinforcing substrate in concrete). They claim that the substitution of the volume of sales of RIC for the circumvention goods (mesh) demonstrates that the goods and the circumvention goods have the same final end use. They also state that the end use of the overwhelming majority of the goods (RIC) is for the purpose of becoming reinforcing material in concrete.

It was further claimed that channels to the Australian market for mesh in concrete, the goods and the circumvention goods are interchangeable for customers of the goods (i.e. local mesh manufacturers). They claim a customer of the goods (a local mesh manufacturer), can import and sell the circumvention goods into the market. This is achieved by the customer substituting its purchase of the goods for the circumvention goods (mesh).

InfraBuild claim a number of customers of the goods (local mesh manufacturers) have become customers of the circumvention goods (mesh) as either direct importers and/or wholesalers of the circumvention goods. This has been achieved by changing their supply model from ‘manufacture local mesh and supply’ to ‘purchase imported mesh and supply’.

6.3 Differences in processes used to produce each good[15]

Chapter 2.1 outlines the production process for the goods subject to the measures (RIC), and the circumvention goods (mesh).

At the visit, InfraBuild confirmed that ‘weaving’ is not part of the process of producing reinforcing mesh and is only used for products such as fencing, which is not the subject of this inquiry (as neither goods nor circumvention goods).

6.4 Cost to produce each good and the cost of modification[16]

The verification team notes that the goods and circumvention goods are made on different production lines at different locations. They are produced under different cost centres and cost records are kept separately for each RIC and mesh.

As outlined in chapter 5, the verification team assessed the cost of modification and concludes that InfraBuild’s conversion costs are reasonable.

The verification team also notes that InfraBuild stated in their application that they expect the cost of modification in China to be significantly less than the rate calculated for the cost to modify the goods in Australia.

[14] Regulations 48(3)(b) and (c).
[15] Regulation 48(3)(d).
[16] Regulations 48(3)(e) and (f).

6.5 Customer preferences and expectation[17]

On their assertion that "the final end use customer of the goods and circumvention goods is the same",[18] including builders and casters, InfraBuild asserts that the goods and the circumvention goods have identical preferences and expectations relating to each of the goods, focusing on the standards and suitability to meet standards. Specifically, the applicant states that:

- Reinforcing mesh (the circumvention goods) for sale in the Australian market is manufactured to AS/NZS 4671; and
- The goods (rod in coil) are produced in grades designed to meet the manufactured mesh requirements of AS/NZS 4671.

6.6 The way each good is marketed[19]

The applicant states that goods may be marketed as rod for mesh and, on this basis, asserts therefore that the goods are marketed for use in the production of circumvention goods. InfraBuild stated that the majority of its customers buy their rod for mesh to manufacture into mesh. Upon request, the applicant later provided the commission with an estimate of the size of market for rod for mesh (at **Confidential Attachment 1**), which also showed a significant portion of their RIC not being used for mesh production. InfraBuild stated its belief that most – if not all – imported RIC (from all sources) was used for mesh production.

6.7 Channels of trade and distribution[20]

InfraBuild provided its depiction of the channels of trade and distribution of the goods and circumvention goods to the market in Figure 2.[21] InfraBuild states that it supplies "reinforcing processors" (mesh manufacturers) with the goods, which the processors further manufacture and resell to end users, e.g. builders, concreters, casters. Another channel that InfraBuild describes is of exporters supplying the circumvention goods to Australian importers who on-sell the circumvention goods to one of 3 parties: local Australian mesh manufacturers, other resellers or builders/casters.

The applicant believes "there is no material difference in the channels of trade and distribution between the goods and the circumvention goods – when passing through the local mesh manufacturers" (some the same as to whom InfraBuild sells) as the same end users are supplied with the same circumvention goods, even if this is via a second channel.

[17] Regulation 48(3)(g).
[18] EPR 643, document no. 1 (annexure).
[19] Regulation 48(3)(h).
[20] Regulation 48(3)(i).
[21] EPR 643, document no. 009, p. 12.

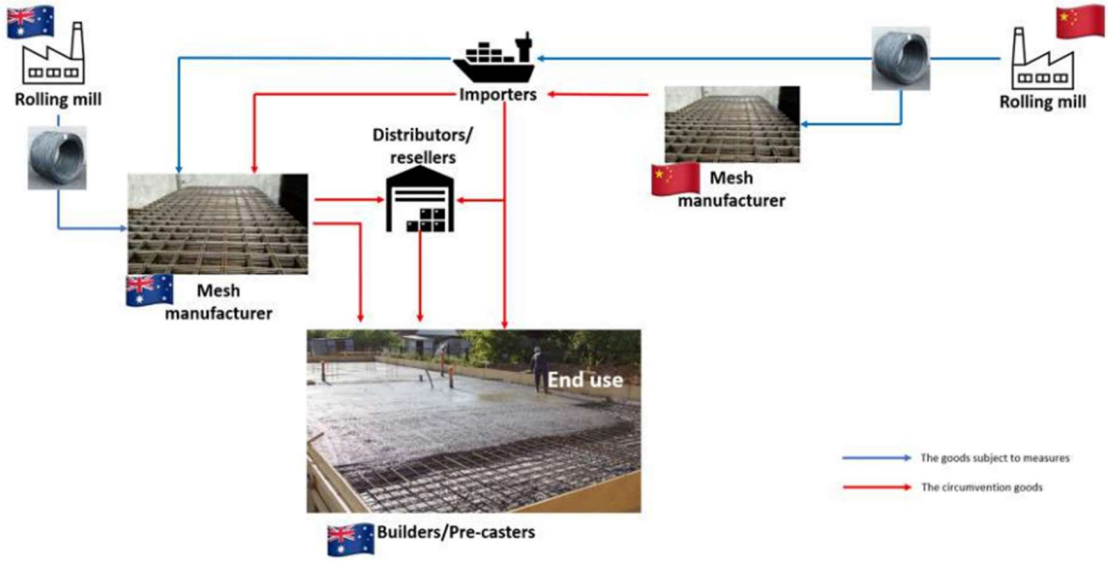

Figure 2. The applicant's depiction of channel to market (updated in its Response to Industry Questionnaire).

The applicant believes that Australian importers have sold circumvention goods (mesh) to the same manufacturers who also receive exported goods (RIC) from exporters. InfraBuild again focuses on the same end use of the goods and circumvention goods (being sold to builders and casters) as equating to "identical" channels of trade and distribution.[22]

6.8 Patterns of trade[23]

From the data that InfraBuild had access to, it established that volumes of the goods exported from China reduced to almost zero after publication of the original notice, indicating that patterns of trade "appear to support that the circumvention goods have practically entirely displaced the goods". The verification team notes that industry members do not have access to the same ABF import data as the commission.

6.9 Changes in pricing[24]

InfraBuild asserted that because the circumvention goods do not attract the 33.1% interim dumping duty (IDD) applied to the goods, they have a "price advantage" over the goods in the market. Citing the exiting of the goods from the Australian market, InfraBuild states it is difficult to compare the difference in unit prices between the goods and the circumvention goods. The applicant also states that it is not possible to distinguish galvanised and non-galvanised mesh sheets, the former of which is not an alleged circumvention good. The applicant therefore compared free-on-board (FOB) export index prices of the goods and the circumvention goods and stated that this information indicates a very small premium to the goods (quoting prices per tonne across June 2021, January 2023 and February 2023 [see

[22] EPR 643, document no. 1 (annexure).
[23] Regulation 48(3)(j).
[24] Regulation 48(3)(k).

Confidential Attachment 3]). The applicant claims this indicates that the export prices of the circumvention goods are comparable to the goods subject to measures.

6.10 Changes in export volumes[25]

InfraBuild named one Australian importer who it believed to be shifting its imports away from the goods to the circumvention goods but to be supplying the same customer (being builders and casters). It further stated that this aligned with the data it had sourced, which showed that import volumes of the goods decreased after the original notice was published while import volumes of reinforcement mesh increased.

6.11 Tariff classifications and statistical codes[26]

The goods and circumvention goods are imported into Australia under different tariff and statistical codes as outlined in chapter 2.2.1.

[25] Regulation 48(3)(l).
[26] Regulation 48(3)(m).

7 Appendices and attachments

Confidential attachment 1	Verification work program
Confidential attachment 2	Applicant presentation
Confidential attachment 3	Confidential version of the application
Non-confidential appendix 1	MCCs

Non-confidential appendix 1

Item	Category	Sub-category	Identifier	Sales data	Costs data
1	Prime	Prime	P	Mandatory	Mandatory
		Non-Prime	N		
2	Physical form	Coil	C	Mandatory	Mandatory
		Sheet	S		
3	Maximum carbon content, %	Less than 0.05	1	Mandatory	Mandatory
		Greater than or equal to 0.05 but less than or equal to 0.20	2		
		Greater than 0.20 but less than or equal to 0.24	3		
		Greater than 0.24	4		
4	Largest nominal diameter of solid section of steel (mm)	Less than 6.0	D1	Mandatory	Optional
		Greater than or equal to 6.0 but less than or equal to 6.5	D2		
		Greater than 6.5 but less than or equal to 7.5	D3		
		Greater than 7.5 but less than or equal to 8.5	D4		
		Greater than 8.5 but less than or equal to 9.5	D5		
		Greater than 9.5 but less than or equal to 10.5	D6		
		Greater than 10.5 but less than or equal to 13.5	D7		
		Greater than 13.5	D8		
5	Nominal width of steel mesh sheet (mm)	Less than 200	W1	Mandatory	Optional
		Greater than or equal to 200 but less than or equal to 800	W2		
		Greater than 800 but less 2000	W3		
		Greater than or equal to 2000 but less than 2400	W4		
		Greater than or equal to 2400 but less than 3000	W5		
		Greater than or equal to 3000	W6		
		Coil	C		
6	Nominal length of steel mesh sheet (mm)	Less than or equal to 5000	L1	Mandatory	Optional
		Greater than 5000 but less than 6500	L2		
		Greater than or equal to 6500	L3		
		Coil	C		
7	Galvanised	Galvanised	G	Mandatory	Mandatory
		Non-galvanised	N		