PUBLIC RECORD

Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

Australian industry verification report

Verification and case details

Initiation date	9/12/2024	**ADN**	2024/099
Case number	660		
The goods under consideration	Steel Reinforcing Bar		
Case type	Continuation Inquiry		
Australian industry	InfraBuild (Newcastle) Pty Ltd		
Location	22 Kellogg Rd, Rooty Hill NSW (Infrabuild Sydney Steel Mill) 61 Milperra Road Revesby NSW (Infrabuild Mesh)		
Verification from	18/02/2025	to	20/02/2025
Inquiry period	1/10/2023	to	30/09/2024

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 Newcastle) provided data to the Anti-Dumping Commission (the commission) in relation to its application seeking a continuation of measures, in the form of a dumping duty notice, on steel reinforcing bar exported from Republic of Korea (Korea) and the Kingdom of Spain (Spain). Following consideration of InfraBuild's application, Continuation Inquiry 660 (CON 660) was subsequently initiated on 9 December 2025. Following initiation of the inquiry, InfraBuild Newcastle provided further information in response to a request from the commission.

A verification team (the team) has verified whether the data InfraBuild Newcastle submitted in its application and after initiation of the inquiry is complete, relevant and accurate for the purpose of CON 660. Anti-Dumping Notice (ADN) 2016/30 describes the commission's verification procedure.

Where it was appropriate to do so, this verification also relies on results of the verification of InfraBuild performed for related matter Investigation 655. The investigation concerns deformed steel reinforcing bar in straight form exported to Australia from Malaysia, Indonesia (by exporters PT Ispat Panca Putera and PT Putra Baja Deli), Thailand, Türkiye and Vietnam.

The verification team considers the observations and results of the verification performed for Investigation 655 are relevant for the following reasons.

- The investigation period specified for Investigation 655 (1 July 2023 to 30 June 2024) overlaps the inquiry period for Inquiry 660 by 9 months.
- Rebar the subject of Investigation 655 represents a significant proportion of the sales and production of rebar relevant to Inquiry 660.
- The entities the subject of the verification performed for Investigation 655 are the same as those being reviewed in this verification.

This report explains the team's key findings, including the evidence considered and material issues identified. Where InfraBuild Newcastle or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 660.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).[1]

[1] All legal citations in this report are to the Act unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

InfraBuild Newcastle, formerly Liberty OneSteel (Newcastle) Pty Ltd (OneSteel), is an Australian proprietary limited company that manufactures and sells steel reinforcing bars (rebar or the goods).

InfraBuild Newcastle identified two other producers of like goods in Australia.

- InfraBuild NSW Pty Ltd (InfraBuild NSW)
- The Australian Steel Company (Operations) Pty Ltd (TASCO).

InfraBuild Newcastle, InfraBuild NSW, and TASCO are collectively referred to in this report as ‘InfraBuild.’ The entities identified above are related to InfraBuild Newcastle and are all subsidiaries of Infrabuild (Manufacturing) Pty Ltd, which is ultimately owned by the parent company Liberty InfraBuild Ltd (Liberty InfraBuild) (A.C.N. 631 112 108).

In addition to the production and sale of rebar, Liberty InfraBuild encompasses several entities engaged in the manufacture of other steel products that includes rod in coil, wire, concrete reinforcing mesh, tubular products and merchant bar. The company also operates businesses engaged in metals recycling and distribution.

The ultimate owner of the businesses operated under Liberty InfraBuild is Liberty Steel Group Holdings Pte. Ltd based in Singapore.

1.2 Related parties

The team examined the relationships between InfraBuild Newcastle, InfraBuild NSW and TASCO and parties involved in the production and sale of the goods.

1.2.1 Related suppliers

InfraBuild Newcastle and its related rebar producers sourced raw materials from related party scrap metal suppliers and steel billet producers.

1.2.2 Related customers

All rebar produced by Infrabuild NSW, Infrabuild Newcastle and TASCO are sold through Infrabuild Newcastle. It was established during verification that InfraBuild Newcastle acts as the corporate selling entity for both related and unrelated customers and receives revenue for all sales.

An analysis of prices for sales of rebar to related and unrelated customers found prices for sales to related customers appeared to be arms length transactions.

2 Like goods manufactured in Australia

2.1 Manufacturing in Australia

Infrabuild Newcastle, InfraBuild NSW and TASCO manufacture rebar at their facilities in Laverton in Victoria, Rooty Hill in Sydney New South Wales and at Newcastle in New South Wales. The three InfraBuild entities collectively produce and sell rebar in three forms

- Deformed rebar in lengths, or straight, with or without threaded deformations[DBIL]
- Deformed rebar in coils [DBIC]

During the verification visit to InfraBuild's Rooty Hill facility, the verification team observed the manufacture of DBIL and is satisfied that InfraBuild produces like goods.

The verification team notes that, whilst there are reports of proposed new steel mills in Australia, the team is not aware of any other current producers of rebar in Australia.[2] The verification team therefore considers that the Australian industry for rebar is represented solely by InfraBuild.

2.1.1 Production process

InfraBuild manufactures rebar using billets that are primarily sourced from its own Electric Arc Furnace (EAF) steel mills operated at Rooty Hill in Sydney New South Wales or Laverton in Victoria. Billet is also sourced from InfraBuild's related party supplier, OneSteel Manufacturing Pty Limited (administrators appointed), based in Whyalla. Steel billet sourced from Whyalla is produced using a Blast Oxygen Furnace process.

Production of all forms of deformed bar initially starts with billets that are reheated in a furnace to approximately 1,200 degrees. The billet is then passed through a series of rolling 'stands' where the billet changes shape and progressively reduces in size. Deformations (ribs) are introduced through the finishing stands. In the case of DBIL, the bar is then subject to a water-cooling process where the surface of the bar is quenched rapidly and subsequently slow cooled on a cooling bed via convection. This quenching and tempering is done, in part, to achieve the required steel yield strength[3] The DBIL is then cut to length, bundled, tied and tagged.

To produce rebar in coils, after the finishing stands, the rebar is looped into rings, cooled on a cooling conveyor and then formed into a coil.

As noted above, the verification team observed this manufacturing process at InfraBuild's Rooty Hill production facility.

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[2] For instance, see https://www.greensteelwa.com.au/#greensteelrebar (last accessed 29 March 2025):

"….*Green Steel is in the advanced stages of development and proceeding towards a final investment decision for Western Australia's first steel mill. The Collie-based green steel recycling mill will convert Western Australian scrap steel into rebar for local and international consumption. The plant will be WA's first steel mill and the cleanest and most efficient mill in Australia. Construction of the plant is expected to commence in 2025, with early operations beginning in 2027. The mill will be located in the town of Collie, 220km south of Perth…..*"

[3] The verification team note that in some instances the strength of the bar can be also be attained using a chemical strengthening mechanism involving alloy addition.

2.2 Model control codes

The sales and costs data InfraBuild Newcastle submitted complies with the model control code (MCC) structure detailed in ADN 2024/099.[4]

2.2.1 Amendments to model control codes

After comparing prices of different models of the goods, the team does not recommend amending the MCC structure.

2.3 Verification of model control codes

Error! Reference source not found. below provides detail on the model control code (MCC) sub-categories were determined and verified to source documents.

Category	Determination of the sub-category
Prime	Based on product descriptions set out on tax invoices and price lists and information obtained during production tour.
Minimum yield strength	Based on the standard and grade shown on the commercial invoices and price lists.
Finished Form	Based on the form stated on the commercial invoices
Nominal diameter (millimetres or “mm”)	Based on the nominal width shown on the commercial invoices
Length (metres or “m”)	Based on nominal length shown on the commercial invoices
Deformation pattern along Length	Based on descriptions provided on tax invoices, price lists and supply agreements.

Table 1 - Determination of MCC sub-categories

Error! Reference source not found. below displays the relationship between standard/grade and MCC categories.

Standard/Grade	MCC minimum yield strength category	MCC deformation pattern category
AS/NZS 4671-500N	C	N or T
AS/NZS 4671-250N	A	N

Table 2 MCC mapping

2.4 List of all model control codes

InfraBuild produced and sold goods with the following MCCs during the inquiry period:

DBIL (Non Threaded)	DBIL (Threaded)	DBIC
P-A-S-B-1-N	P-A-S-C-2-T	P-C-C-A-C-N
P-A-S-B-2-N	P-C-S-B-1-T	P-C-C-B-C-N
P-C-S-B-1-N	P-C-S-B-2-T	P-C-C-C-C-N
P-C-S-B-2-N	P-C-S-C-2-T	P-D-C-A-C-N

[4] EPR 660 document no 2

DBIL (Non Threaded)	DBIL (Threaded)	DBIC
P-C-S-B-3-N	P-C-S-C-3-T	P-D-C-B-C-N
P-C-S-C-1-N	P-D-S-B-1-T	P-D-C-C-C-N
P-C-S-C-2-N	P-D-S-B-3-T	
P-C-S-C-3-N	P-D-S-C-2-T	
P-C-S-D-2-N	P-E-S-B-1-T	
P-C-S-D-3-N	P-E-S-B-3-T	
P-D-S-B-1-N	P-E-S-C-1-T	
P-D-S-C-2-N	P-E-S-C-2-T	
P-D-S-C-3-N		
P-D-S-D-2-N		
P-D-S-D-3-N		

Table 3 List of MCCs sold during investigation period

2.5 Like goods

Like goods are defined under section 269T(1) of the Act as:

> *goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.*

The team considers that the like goods manufactured by InfraBuild are identical to, or have characteristics closely resembling, the goods exported to Australia, as they:

- **Physical likeness:** Rebar sold on the Australian market (both imported and locally manufactured rebar) is typically manufactured to Australian Standard AS/NZS 4671:2019, which specifies the required material specifications for steel used for concrete reinforcement. The Australian Standard specifies requirements for chemical, mechanical and geometrical properties for different steel strength grades, as denoted by the minimum yield strength in megapascals (MPa) (for example 250 MPa, 300 MPa, and 500 MPa) and different ductility classes (low, normal and earthquake). A test certificate certifies that the relevant Australian Standard has been met. Accordingly, rebar from the subject countries or from the Australian industry if certified to the same Australian Standard, will have a similar or identical physical likeness. The pattern of deformations on a rebar are similar, despite including unique markings which indicate the producing mill and the Australian Standard.

- **Production likeness:** The commission has toured the production facilities operated by InfraBuild and various exporters in past rebar cases and considers that imported and locally manufactured rebar are produced using similar methods. Certain aspects of the production process may vary to yield rebar products of the desired physical, mechanical and chemical properties. However, the varying methods do not substantially alter the fundamental production process adopted by both Australian industry and exporters.

- **Commercial likeness:** Imported rebar competes directly with locally manufactured rebar in the Australian market. Rebar is generally further processed before the end-use application by fabricators. Processors and distributors purchase locally made and imported rebar and readily switch between suppliers.

  Steel mills with Australasian Certification Authority for Reinforcing and Structural Steels [**ACRS**] accreditation are subject to the same testing and validation processes. ACRS is an independent, not-for-profit production certification scheme.

The ACRS 'mark' is internationally recognised as the means of showing conformity to the Australian Standard. Whilst not compulsory, ACRS certification is a generally preferred minimum market requirement for the supply of rebar into the Australian market. Steel mills with ACRS certification have been verified to meet the manufacturing and testing processes and material properties requirements of the Australian Standard. Imported rebar sold in the Australian market generally originates from mills that are ACRS certified. The commission found that many of the exporters of rebar from the subject countries maintained ACRS certification. Likewise, InfraBuild's steel mills are also ACRS certified.

- **Functional likeness:** Imported rebar and locally manufactured rebar have the same end-use applications. Rebar is commonly used as a concrete tensioning device in residential, commercial and infrastructure/construction applications (including continuous reinforced concrete pavement in road building). Imported and Australian production of rebar in straight, coil and threaded forms of the same diameter are substitutable in terms of end-use applications.

2.6 Like goods assessment

The team found:

- rebar manufactured by Infrabuild Newcastle, and its related producing entities, Infrabuild NSW and TASCO are like to the goods [5]
- at least one substantial process of manufacture of product is carried out in Australia[6]
- the like goods were, therefore, wholly manufactured in Australia by Infrabuild Newcastle, and its related producing entities, Infrabuild NSW and TASCO [7]
- there is an Australian industry, consisting of Infrabuild Newcastle, and its related producing entities, Infrabuild NSW and TASCO, which produces like goods in Australia.[8]

The verification team is satisfied that the Australian industry produces like goods to the goods the subject of the application, as defined in section 269T(1).

[5] Section 269T(1) (definition of 'like goods').

[6] Section 269T(3).

[7] Section 269T(2).

[8] Section 269T(4).

3 Australian market

3.1 Australian market background

InfraBuild submitted that the Australian market is supplied by InfraBuild and imports from a range of countries including Korea and Spain. It considers rebar a commodity product such that the supply source is readily interchangeable between exporters and countries for the end user.

According to data supplied by InfraBuild in its application seeking continuation of the measures on Korea and Spain, imports of rebar into the Australian market during the 12 month period ending June 30 2024 were sourced from at least 14 countries in addition to South Korea and Spain, 16 in total. Imports from Korea ranked within the top 10 countries by export volume. InfraBuild's data also suggested there had also been small export volumes from Spain since 2021.[9]

A review of import declaration data available to the commission found the imports InfraBuild estimated were from Spain after 2021 related to other kinds of steel products that are covered by the same tariff subheading in which also covers imports of rebar the subject of Continuation Inquiry 660. The verification notes team notes that Australian Bureau of Statistics (ABS) import data for the relevant tariff codes are subject to confidentiality restrictions, such that imports from various countries are not visible. InfraBuild's sources provide a high level tariff code view of export data and thus its ability to fully interrogate the nature of imports is limited to the definition of goods as specified in the description of goods within a tariff subheading at the six digit level.

Following a review of import data available to the commission, the verification team found there have been no exports from Spain by exporters the subject of the inquiry, or any other Spanish exporters subject to a different dumping duty notice, i.e. Nervacero S.A, since the end of 2021.

3.2 Australian market structure

3.2.1 Marketing segmentation and end uses

InfraBuild advised that rebar is sold to several key market segments in Australia, including:

- residential construction, including swimming pool construction
- non-residential commercial construction (such as schools)
- engineering construction (including mining and infrastructure).

Infrabuild is of the view that rebar is primarily purchased for:

- cutting bending and/or welding into various shapes;
- sale into residential, commercial and engineering construction sectors; and
- used in concrete reinforcement as a tension device.

End uses include concrete slabs, prefabricated concrete beams, columns, cages and precast products. Majority of rebar is fabricated/shaped/processed in some way before end use, but there are instances where no cutting, bending or welding is needed before use.

[9] See EPR 660 document no.01, Appendix A, InfraBuild Application, p.2

Deformed Bar in length (DBIL) (in the non threaded form) and Deformed Bar in coils (DBIC) share the same market segmentation but has some difference in processing for end-use. Infrabuild stated that DBIL and DBIC of the same diameter can be used interchangeably, depending on shape required and processing equipment available. Infrabuild explained that DBIC importers in Australia have specialised machines to process DBIC into different required shapes.

With these machines, DBIC can be quickly processed to produce large quantity of consistent shapes. Off-coil machine processing may save on labour and processing time compared to cut and bend machines that require manual feeding of DBIL length. DBIC also typically requires a smaller footprint for storage and transport when compared to DBIL. InfraBuild outlined that as DBIC is typically only available in diameters up to 20mm (due to the technical difficulties of spooling a large diameter high tensile bar), customers will decide whether to import DBIL or DBIC in those smaller diameters, depending on their equipment and the processing required. Construction requirements for use of heavier bar with a larger diameter (up to 50mm) necessitates the ongoing demand for DBIL.

DBIL in threaded form is mostly sold to entities involved in the mining sector.

3.2.2 Distribution arrangements

In addition to supplying related and unrelated reinforcing processors (customers), the Australian industry sells rebar to related party steel service centres (customers) who distribute the products to end users throughout Australia and unrelated customers who also perform distribution sales functions as steel service centres.

3.2.3 Supply

InfraBuild’s channel to market is predominantly reinforcing processors who may also function as distributors to smaller processors and end users.

InfraBuild provided the following diagram to illustrate the supply channels into the Australian market.

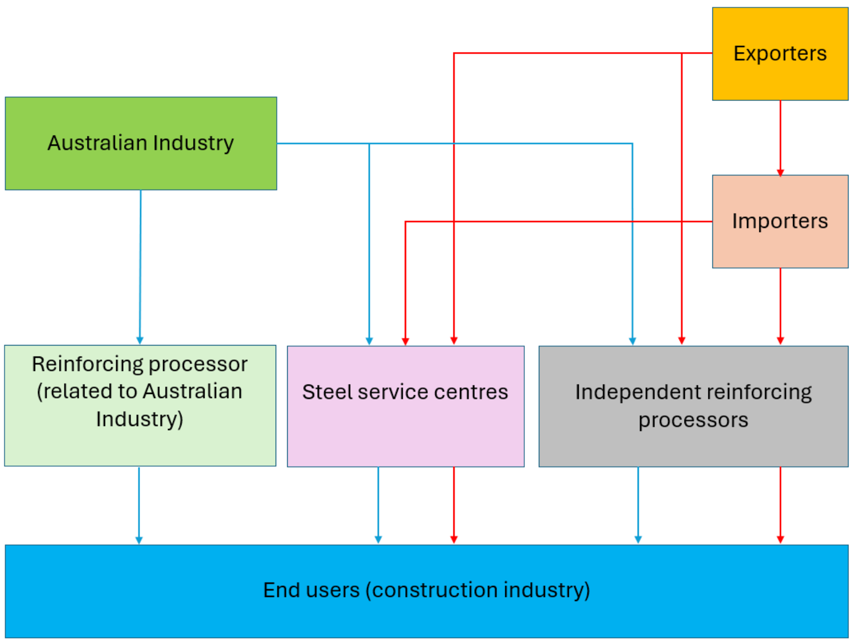

Figure 1: Supply channels into the Australian market.

3.2.4 Demand

InfraBuild outlines that non-residential commercial construction is the main driver of demand for rebar with demand closely aligned to the level of construction activity in Australia. InfraBuild's application in the section dealing with supply and demand conditions in the Australian market included data from the Australian Bureau of Statistics concerning the value of construction work done.[10] This data shows an increasing trend in the value of work done since 2015.[11] In the period between the March quarter of 2015 up to the March quarter of 2024, the quarterly value of work completed increased from AUD$25 million to upwards of AUD$40 million. Regarding projected future demand, InfraBuild referenced the September 2024 report of the National Institute of Economic and Industry Research (NIEIR).

3.3 Australian market pricing

InfraBuild outlined that Australian market pricing is influenced by the price of imported rebar and key price determinants such as scrap metal. InfraBuild provided the verification team with information concerning its current pricing model, which considers import prices of rebar in determining its market prices. The information provided was relevant to the investigation period.

3.4 Australian market size

The chart below shows the commission's estimate of the Australian market size for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024. This is based on InfraBuild's sales figures and Australian Border Force (ABF) import declaration data obtained by the commission in relation to imports of rebar declared under the tariff subheadings relevant to steel reinforcing bar. Further details on the commission's examination of the Australian market will be produced in the Statement of Essential Facts.

Figures relating to the Australian market size are contained in **Confidential Appendix 1**.

[10] EPR 660, document no.1, Chart 1.1.5.1 in Appendix A to InfraBuild Application refers.

[11] Australian Bureau of Statistics, 8752.0 Building Activity, Australia September 2024, Series ID A83802403A

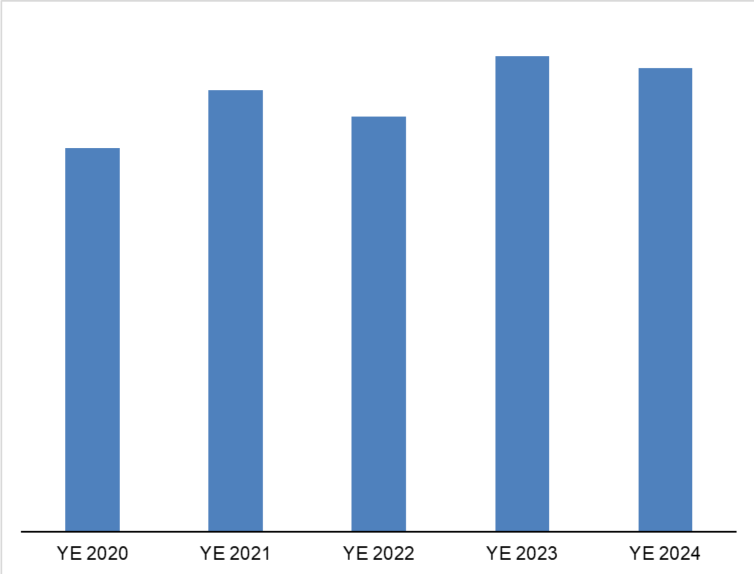

Figure 1 Estimated Australian market size[12]

[12] Confidential Appendix 1 refers

4 Verification of sales completeness and relevance

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 Newcastle are complete and relevant by reconciling them to Liberty Infrabuild's audited financial statements, consistent with ADN 2016/30.

The team verified the relevance and completeness of the sales data as follows:

1. Reconciled the 2024 financial year and 2025 Q1 revenue to Infrabuild Newcastle's financial statements generated from its accounting system.
2. Reconciled Infrabuild Newcastle's FY2024 revenue to Manufacturing segment total revenue shown on Liberty Infrabuild's FY2024 consolidated financial statements.
3. Reconciled the sales master sales listing for the period to the trial balance. Reviewed the variance between the sales of rebar and the trial balance revenue.
4. Reconciled the sales value of rebar from the master sales listing to the sales listings for DBIC and DBIL.

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

4.1 Sales completeness and relevance exceptions

Exception 1: Misclassification of products

Description: InfraBuild identified that it misclassified a non-material volume of DBIC as DBIL in its sales listing covering the inquiry period.

Resolution: The sales listing was amended to correct for the classification error.

4.2 Import sales by company

Infrabuild Newcastle imported and sold a volume of like goods during the investigation period. InfraBuild Newcastle identified the imported products in its sales listings. The team verified the total volume of import sales as part of the upwards sales verification.

4.3 Export sales by company

Infrabuild Newcastle reported it has exported rebar during the inquiry period. The team verified the total volume of export sales as part of the upwards sales verification.

4.4 Sales completeness and relevance finding

The team is satisfied that subject to amendments to address the above exceptions, the sales data submitted by InfraBuild Newcastle is complete and relevant

5 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue and other key data in the sales listings down to source documents. ADN 2016/30 further describes this verification process.

As noted in the introduction of this report, the observations and results of the verification performed on InfraBuild for Investigation 655 would be taken into account where it was appropriate to do so.

In the case of verifying accuracy of sales, the team considers the sample of domestic sales examined for Investigation 655 represent a valid sample for this verification.

5.1 Related party customers

The team analysed the prices for unrelated and related customers and did not find evidence of price discrimination between related and unrelated customers and consider the sales to related customers to be arms length.

The team is satisfied that InfraBuild's selling prices for goods to related customers can be relied upon in the assessment of the economic condition of the Australian industry.

5.2 Sales accuracy finding

Based on the findings and observations detailed in the verification for Investigation 655, the team is satisfied that the sales data InfraBuild Newcastle submitted this verification is accurate. Details of this verification process are contained in the verification work program and its relevant attachments, **at Confidential Attachment 1**.

Accordingly, the team considers Infrabuild Newcastle's sales data suitable for analysing the economic performance in the period from 1 October 2020 to 30 September 2024.

6 Verification of CTMS completeness and relevance

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 of this report, the observations and results of the verification performed on InfraBuild for Investigation 655 would be taken into account where it was appropriate to do so.

In the case of verifying the completeness and relevance of CTMS data, the team considers the process undertaken by the verification for Investigation 655 is relevant for informing whether the data the subject of this verification is complete and relevant.

The steps performed by commission staff in relation to the verification of CTM for Investigation 655 are outlined as below.

The verification team:

1. Identified the reported profit before income tax (PBIT) in the consolidated financial statements of Liberty InfraBuild Ltd.
2. Traced the reported PBIT to the consolidation statement in the financial statements for the group's segment results and identified the reported cost of sales (COS) for the manufacturing segment, the segment responsible for manufacturing the goods subject of the investigation.
3. Within the accounting system used to consolidate the accounts of the group, traced the reported COS of sales for the manufacturing segment identified in step 2 to the rod and bar business unit, the unit responsible for manufacturing the goods.
4. Reconciled the reported COS for the rod and bar business unit in the consolidation accounting system to the management accounting system used by this unit.
5. Within the management accounting system identified the reported COS within the Trial Balances for the InfraBuild NSW and TASCO company codes and then reconciled these amounts to the total COS for the Rod and Bar business after accounting for the COS of other entities within the business unit.
6. For the InfraBuild NSW, reconciled the reported COS to the cost to make (CTM) for the goods after deducting the CTM for other goods manufactured. Noting that the variation between finished goods inventory and the inventory of goods sold could not be reconciled within the accounting system due to system limitations, the verification team undertook further analysis to satisfy the completeness of the reported CTM (see exception 3).
7. For TASCO, reconciled the reported COS to the cost to make (CTM) for the goods after deducting the CTM for other goods manufactured. Noting that the variation between finished goods inventory and the inventory of goods sold could not be reconciled within the accounting system, the verification team undertook further analysis to satisfy its assessment of the completeness of the CTM for the goods (see exception 3).

The steps performed by commission staff in relation to the verification of SG&A data for Investigation 655 are outlined as below.

The verification team:

1. Identified the reported indirect costs (SG&A costs) in the group's segment (Rod & Bar) profit and loss statement in InfraBuild's accounting system.
2. Matched the group's SG&A costs to InfraBuild's cost allocation worksheet. The cost allocation worksheet calculates the SG&A costs per tonne by the group's total sales volume and total SG&A cost.
3. Reconciled the group segment's total sales volume and DBIL sales volume to InfraBuild's accounting system.
4. Matched the total SG&A costs reported in InfraBuild's CTMS worksheet to the sum of InfraBuild's DBIL sales volume multiplied by the SG&A cost per tonne.

In the verification performed for Investigation 655, the team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program prepared for InfraBuild's verification as relates to Investigation 655 and its relevant attachments, at **Confidential Attachment 1**.

6.1 Exceptions during verification of completeness and relevance of CTMS data

The following exceptions were identified during the verification performed on InfraBuild for investigation 655. The data presented for inquiry 660 was accepted on the basis that the exceptions were resolved.

Exception 2: Exceptions during verification of completeness and relevance of CTMS data

Description: InfraBuild advised that, due to some limitations within its new accounting system, they were not able to fully demonstrate a reconciliation between the recorded COS at the manufacturers level and the CTM recorded in their management accounts. **Resolution:** Noting that the other steps of the upwards reconciliation process were successfully completed, the verification team analysed costs recorded in the COS and management CTM records. This demonstrated an overall correlation between the reported COS and the management cost records on a cost per unit basis. The verification team was satisfied that this analysis was indicative of the costs being complete for the purposes of examining the economic performance of InfraBuild.

Exception 3: Exceptions during verification of completeness and relevance of SG&A data

Description: InfraBuild advised the verification team that due to corporate reallocation of its capital spend from its group segment's profit and loss statement, the group's indirect costs (SG&A costs) were revised from its application. **Resolution:** InfraBuild re-submitted its CTMS worksheet to accurately reflect the revised indirect costs.

6.2 CTMS completeness and relevance finding

The team is satisfied that the CTMS data provided in the application by company, including any required amendments as outlined in the exception table above is complete and relevant.

7 Verification of cost to make and sell accuracy

The commission typically verifies CTMS as accurate by reconciling a selection of volume, cost and other key data in the CTM and SG&A listings down to source documents. ADN 2016/30 further describes this verification process.

As noted in the introduction of this report, the observations and results of the verification performed on InfraBuild for Investigation 655 would be taken into account where it was appropriate to do so.

In the case of verifying the accuracy of InfraBuild's CTMS data, the team considers the process undertaken by the verification for Investigation 655 is relevant for informing whether the data the subject of this verification can be considered accurate.

In the verification performed for Investigation 655, the team did not identify any issues Details of this verification process are contained in the verification work program prepared for InfraBuild's verification as it relates to Investigation 655 and its relevant attachments, at **Confidential Attachment 1**.

7.1 Cost allocation method

Table 4 outlines how the team allocated each cost component.

Cost component	Method applied
Raw materials	Allocated based on production quantity.
Direct labour	Allocated based on production quantity.
Manufacturing overheads	Allocated based on production quantity.
Depreciation	Allocated based on production quantity.

Table 4 Cost allocation method

7.2 Related party suppliers

InfraBuild Newcastle, InfraBuild New South Wales and TASCO purchased scrap and steel billet from related party suppliers during the inquiry period.

The verification performed for investigation 655 verified scrap purchases from its related and unrelated suppliers and was satisfied that its scrap purchases from related suppliers were arms length transactions. The volume of billet sourced from related suppliers was low in comparison to the amount sourced from InfraBuild's own steel mill. Information provided by InfraBuild confirmed the price paid for this material appeared to be consistent with market prices.

Based on the findings outlined in the verification performed for Investigation 655, and information specifically examined for inquiry 660, the team considers that the purchases of materials [or services as applicable] did not appear to be influenced by the relationship with a related supplier.

7.3 Cost to make and sell accuracy finding

The team is satisfied that the CTMS data InfraBuild Newcastle submitted is accurate and reasonably reflects the costs associated with the manufacture and sale of the goods.

8 Economic condition

8.1 Background

Anti-dumping measures, in the form of a dumping duty notice, were first applied to the goods exported to Australia from the ROK, Singapore, Spain, and Taiwan on 19 November 2015 (ADN No. 2015/133 refers). The measures were continued for a further 5 years in November 2020 after completion of *Continuation Inquiry 546*.[13] As a result of that inquiry, the measures were allowed to expire on Singapore and Taiwan (except for Power Steel Co. Ltd).[14]

An assessment as to whether the expiration of measures would lead, or would be likely to lead, to a continuation or recurrence of the material injury that the anti-dumping measure is intended to prevent involves a consideration of future outcomes based on an evaluation of the present position. To assist with that assessment, this chapter considers the economic condition of the Australian industry covering the period since measures were last continued November 2020 after completion of *Continuation Inquiry 546*. The data in this report partially overlaps the inquiry period examined for Continuation Inquiry 546, i.e. calendar year 2019. The Australian industry's economic condition prior to 2019 is outlined in *Anti-Dumping Commission Report 546* (REP 546).[15]

8.2 Approach to injury analysis

The analysis detailed in this chapter is based on verified financial information submitted by Infrabuild Newcastle, and other data from obtained from third party sources.

The team has assessed the economic condition of the Australian industry from 1 October 2019 to 30 September 2024. The commission has compiled the figures presented on an annual basis for years ending September 30. This preliminary assessment is at **Confidential Appendix 1 to 3**.

8.3 Volume effects

8.3.1 Sales volume

Figure 2 below shows InfraBuild's verified sales volume of Australian produced rebar for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024. This period covers a period when measures were allowed to expire on the following countries:

- Singapore and Taiwan [except Power Steel] expired on 19 November 2020 following the completion of *Continuation Inquiry 546*.[16]

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[13] ADN 2020/111 refers

[14] Anti-dumping measures on Power Steel Co. Ltd are covered by a different dumping duty notice which is not the subject of Continuation Inquiry 660.

[15] REP 546 refers

[16] ADN 2020/111 refers

- Thailand expired on 7 March 2023 following the completion of *Continuation Inquiry 601*.[17]

InfraBuild's sales volumes were generally flat for a three year period after measures expired on Singapore and Taiwan in November 2020. Sales increased in the 12 month period ending September 30 2023 (YE 2023) but then started to decline. Notwithstanding, sales volumes by the end of September 30 2024 (YE 2024) show an emerging downward trend that corresponds to an increase in the size of the Australian rebar market (see Figure 1).

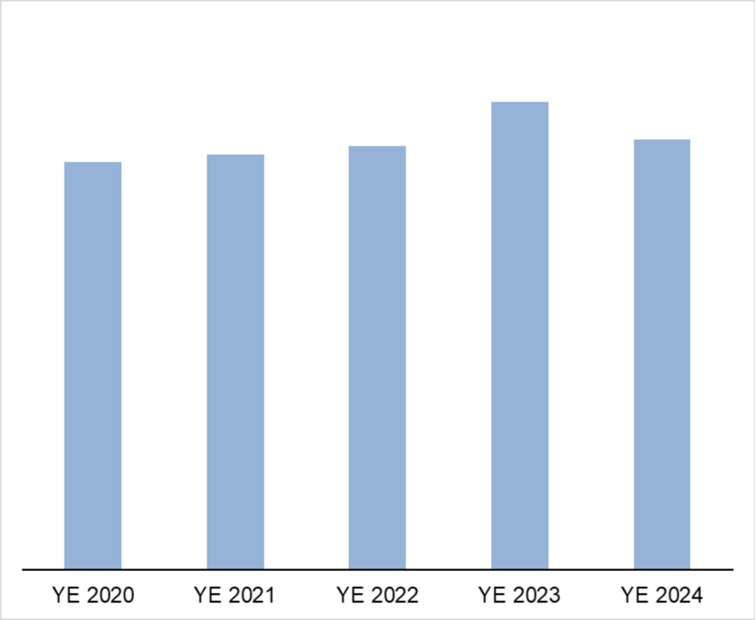

Figure 2 – Infrabuild Sales volume (aligned to inquiry period)[18]

8.3.2 Market share

The chart below shows the commission's estimate of the Australian rebar market share for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024. This is based on InfraBuild's sales figures and ABF import declaration data obtained by the commission in relation to imports of rebar declared under the tariff subheadings relevant to steel reinforcing bar (Figure 1 refers).

In contrast to the sales volume chart above, InfraBuild has at times, experienced mixed outcomes in relation to market share in the period since the measures were last continued in November 2020. In the 12 month period ending September 30 2024 (YE 2024), InfraBuild lost market share at a time when the Australian market also decreased in size (see Figure 1). This coincides with an increase in the market share held by exporters from Korea and all other exporters generally. The same applies in the first 3 periods in the chart where InfraBuild appears to have lost market share at a time when the Australian rebar market was generally increasing, particularly in the period 1 October 2020 to 30 September 2021 (YE 2021).

[17] ADN 2023/004 refers

[18] Confidential Appendix 1 refers.

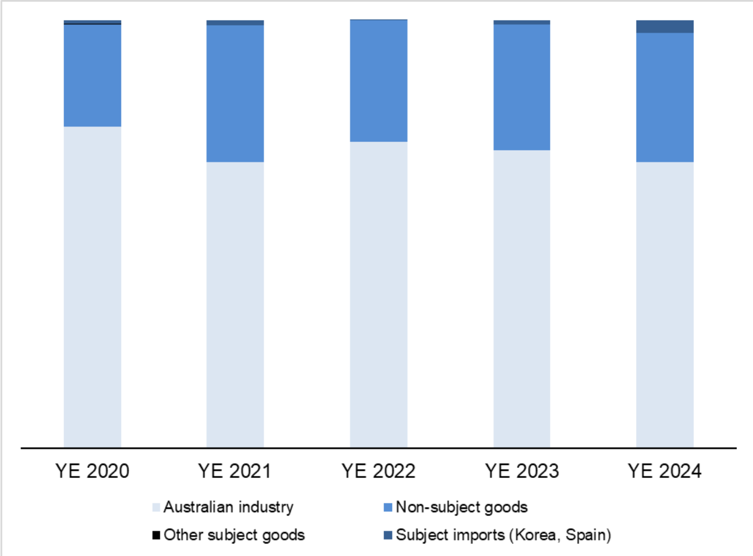

Figure 3 – Australian Market share[19]

8.4 Price effects

8.4.1 Price Depression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

Figure 5 below shows unit prices for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024. The chart shows prices in the analysis initially rising and exhibiting strongest growth in the year ended September 2022 (YE 2022). This marks a highpoint, as unit prices then decline moderately in the following two years.

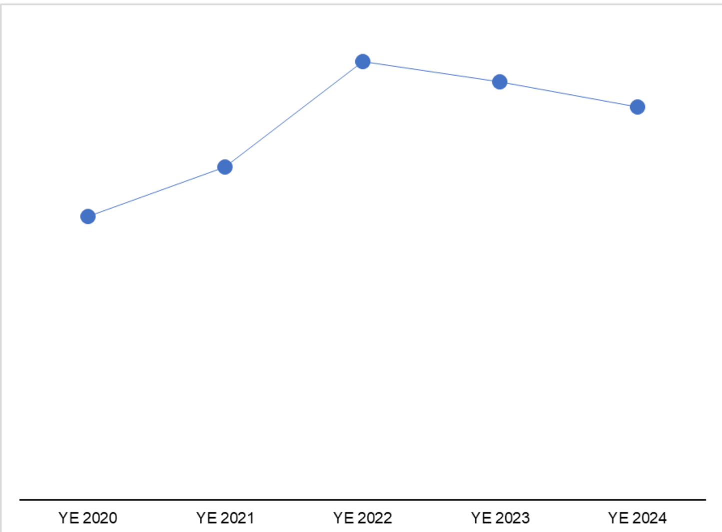

Figure 45 – Unit selling price[20]

[19] Confidential Appendix 1 refers.

[20] Confidential Appendix 2 refers.

8.4.2 Price suppression

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

Figure 6 below shows the comparison between unit price and unit CTMS for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024. The chart illustrates that unit sales revenue exceeded unit costs across the analysis period. Unit pricing grew faster than unit CTMS over the three years to September 2022 (YE 2022), before the margin narrowed again in the final two years to September 2024 (YE 2024), suggestive of price suppression.

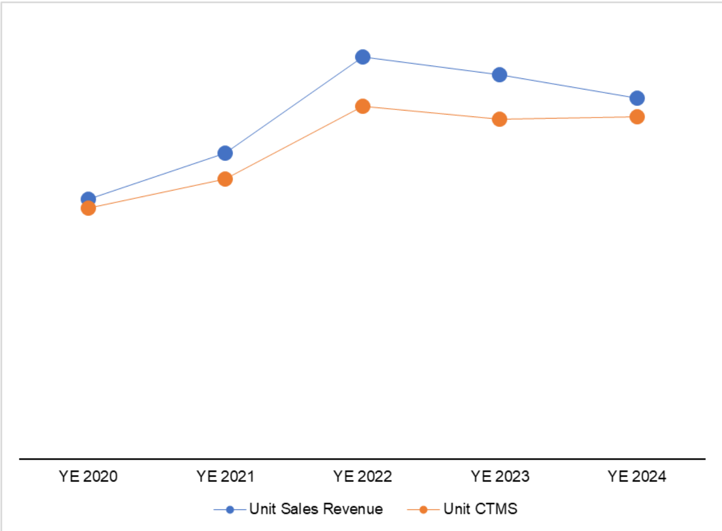

Figure 6 - Unit selling price and unit CTMS[21]

8.5 Profit and profitability

Figure 7 below shows the comparison between net profit and profitability for each year ending (YE) 30 Sept between 1 October 2019 to 30 September 2024.[22] Infrabuild achieved net profits in each year of the analysis period, with strongest results in the years ended 2022 (YE 2022) and 2023 (YE 2023). The company experienced reduced profitability and sales volume in the inquiry period, resulting in a significantly lower profit figure, albeit one which was above the 2020 result.

[21] Confidential Appendix 2 refers.

[22] Profitability is the ratio of unit gain or less compared to unit sales revenue.

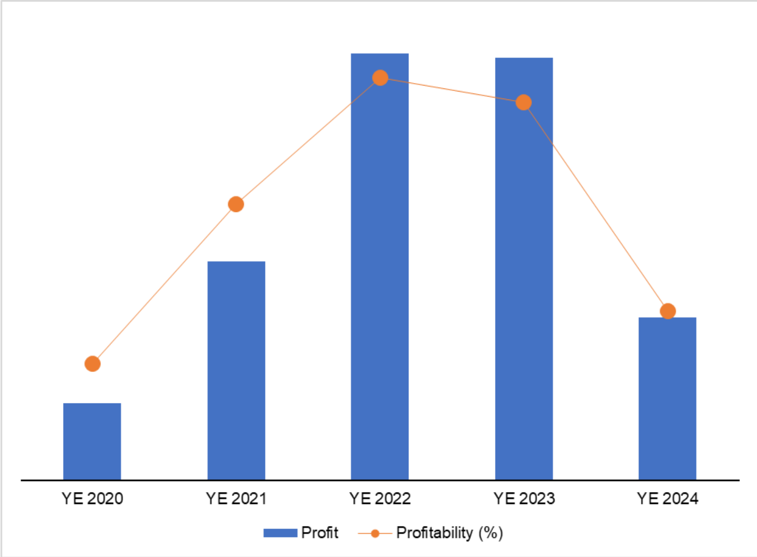

Figure 778 - Profit and profitability[23]

8.6 Other economic factors

InfraBuild provided information on a range of other economic factors to further underpin data submitted in its application to this continuation inquiry. The verification team reconciled data to source documentation as well as verified sales and cost data. The data presented by InfraBuild covers the most recently completed quarter at the time of application. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

A summary of InfraBuild's other economic factors and the calculation of an index for each of these factors is at **Confidential Appendix 3**.

Other Economic Factor	12 Mths End Jun 2020	12 Mths End Jun 2021	12 Mths End Jun 2022	12 Mths End Jun 2023	12 Mths End Jun 2024
Capital Investment ($)	100	68	111	207	265
Assets ($)	100	89	123	138	154
R&D Expenditure ($)	100	80	129	115	0
Revenue ($)	100	106	148	167	145
Net Gain/Loss (%)	100	890	1399	1642	563
Tonnes Capacity (max.)	100	101	103	101	104
Capacity Utilisation (%)[24]	100	104	102	114	88
Employment (headcount)	100	96	138	128	126

[23] Confidential Appendix 2 refers.

[24] InfraBuild's capacity utilisation figures reflects the volume of production recorded for steel reinforcing bar compared to total capacity net of production for other steel products also produced by the rolling mills. According to InfraBuild's figures it appears to retain excess production capacity that could be allocated to the production of rebar.

Other Economic Factor	12 Mths End Jun 2020	12 Mths End Jun 2021	12 Mths End Jun 2022	12 Mths End Jun 2023	12 Mths End Jun 2024
Productivity (MT per shift)	100	107	105	103	107
Closing Stock (Tonnes)	100	81	116	171	107
Wages ($)	100	95	102	116	118
Financing Costs ($)	100	109	501	745	972
Receivables Turnover ($)	100	75	84	117	123
Inventory Days on Hand ($)	100	78	109	132	128

Table 5 Summary of InfraBuild's Other Economic Factors

Considering the index data in Table 5, the team made the following observations regarding InfraBuild's other measures of performance in the production and sale of rebar over the analysis period:

Key points:

- Capital investment and assets used in the production of like goods showed considerable volatility over the five year period. R&D also fluctuated significantly from a high of 115 to 0 (noting that at the time of verification, InfraBuild did not have final R&D expenditure results available for the FY2024 period).
- Finance expense showed a major increase, rising in every year and up more than nine-fold from October 2020 to September 2024.
- Revenue and net profit rose in every year except for the year ended September 2024.
- Capital utilisation likewise rose over four years before falling in the year ended September 2024. Production capacity was stable across the period.
- Employment fluctuated but rose overall. The trend for wages was similar as may be expected.
- Closing stock was variable, reaching a high of 171 in 2023 before falling to 107 in the year ended September 2024. Inventory days on hand also ended higher in the last two years of the analysis period, reflecting slowing sales.

9 Impact of expiry of measures

9.1 Background and approach to analysis

Under the terms of section 269ZHF(2), in order to recommend that the Minister take steps to secure the continuation of the anti-dumping measures, the Commissioner must be satisfied that the expiration of measures would lead, or would be likely to lead, to a continuation or recurrence of:

- dumping
- the material injury

that the anti-dumping measure is intended to prevent.

Accordingly, the team sought Infrabuild Newcastle's views on these matters, and collected evidence to support those claims. The commission will consider this evidence further during the course of the inquiry.

9.2 Continuation or recurrence of dumping and material injury

With respect to whether exports are likely to continue or recur, InfraBuild's application cites the following factors.

- import volumes of the goods from the subject, and non-subject, sources since the continuation of the measures in 2020.
- maintenance of distribution channels or links to the Australian market.
- current and historical ACRS accreditation holders.[25]
- steel production capacities and capacity utilisation of the subject exporters.
- the size and demand conditions within the Australian rebar market.
- trade remedies in other jurisdictions.

InfraBuild's application also contains its estimate of dumping by exporters of rebar from South Korea and Spain in the period 1 July 2020 to 30 June 2024.[26]

During the verification visit, InfraBuild presented materials relating to information contained in its application. The presentation covered the following subject matter:

- Australian market sales volumes for each Australian state and national for the period up to 31 December 2025.
- Australian Bureau of Statistics data for value of construction work done.[27]
- ACRS certification obtained by exporters from South Korea and Spain.
- Analysis of export volumes and prices of rebar from South Korea under tariff subheading 7213.10 and 7214.20 for the period covering 2012 to 2024.
- Analysis of export volumes and prices of rebar from South Korea under tariff subheading 7213.10 and 7214.20 for the period covering 2012 to 2024.

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[25] ACRS refers to *The Australasian Certification Authority for Reinforcing and Structural Steels*

[26] Chapter 3 outlines that there have been no exports of rebar from Spain since 2021. InfraBuild's estimate of dumping for Spain since 2021 is based on data for other steel products exported from Spain that also meet the definition of goods imported under tariff subheading 7227.90 bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel.

[27] Australian Bureau of Statistics, 8752.0 Building Activity, Australia September 2024, Series ID A83801539V.

- Analysis of export volumes and prices concerning entities in the Celsa Group of companies supplying rebar from Spain and Poland under tariff subheading 7213.10 and 7214.20 for the period covering 2012 to 2024.
- Discussion on the findings of an Anti-Dumping Commission reinvestigation report concerning changes in patterns of trade relating to exports of rebar to Australia from Celsa group companies in Spain and Poland.[28]
- Examples of price offers concerning supply of rebar from steel mills in Korea and from entities in the Celsa Group (country of origin not cited in evidence).\
- *National Institute of Economic and Industry Research (**NIEIR**), September 2024 Report* figures concerning actual and forecasted value for non-residential construction activity, engineering construction (excluding imported and telecommunication infrastructure) and the value of Australian mining production out to June 2030.[29]

[28] EPR 601, document no.37, Continuation Inquiry 601 Reinvestigation Report, p12.

[29] InfraBuild cites construction in the non-residential sector as the key demand driver for rebar sales.

10 Appendices and attachments

Confidential attachment 1	Verification work program
Confidential appendix 1	Australian market
Confidential appendix 2	Australian industry economic condition (Volume, price, CTMS, profit)
Confidential appendix 3	Australian industry other economic factors