



*CUSTOMS ACT 1901 - PART XV B*

**STATEMENT OF ESSENTIAL FACTS  
NO. 677**

**ALLEGED DUMPING OF STEEL CORNER BEADS AND  
ANGLES  
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

**AND**

**ALLEGED SUBSIDISATION OF STEEL CORNER BEADS AND  
ANGLES  
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

23 February 2026

# CONTENTS

<b>CONTENTS</b> .....	<b>2</b>
<b>ABBREVIATIONS</b> .....	<b>4</b>
<b>1. SUMMARY AND RECOMMENDATIONS</b> .....	<b>6</b>
1.1 INTRODUCTION .....	6
1.2 PRELIMINARY FINDINGS .....	6
1.3 INFORMATION CONSIDERED IN PREPARATION OF THIS SEF .....	11
<b>2 BACKGROUND</b> .....	<b>13</b>
2.1 LEGISLATIVE FRAMEWORK .....	13
2.2 RESPONDING TO THIS SEF .....	14
2.3 APPLICATION AND INITIATION .....	15
2.4 CONDUCT OF THE INVESTIGATION .....	16
2.5 PRELIMINARY AFFIRMATIVE DETERMINATION .....	19
2.6 SUBMISSIONS FROM INTERESTED PARTIES .....	20
2.7 STATEMENT OF ESSENTIAL FACTS .....	20
2.8 FINAL REPORT .....	21
<b>3 THE GOODS AND LIKE GOODS</b> .....	<b>22</b>
3.1 PRELIMINARY FINDING .....	22
3.2 LEGISLATIVE FRAMEWORK .....	22
3.3 THE GOODS .....	22
3.4 TARIFF CLASSIFICATION .....	23
3.5 MODEL CONTROL CODES .....	23
3.6 LIKE GOODS .....	25
<b>4 THE AUSTRALIAN INDUSTRY</b> .....	<b>29</b>
4.1 PRELIMINARY FINDING .....	29
4.2 LEGISLATIVE FRAMEWORK .....	29
4.3 AUSTRALIAN INDUSTRY .....	29
4.4 PRODUCTION PROCESS .....	30
<b>5 AUSTRALIAN MARKET</b> .....	<b>31</b>
5.1 PRELIMINARY FINDING .....	31
5.2 MARKET STRUCTURE.....	31
5.3 MARKET SIZE .....	34
<b>6 DUMPING INVESTIGATION</b> .....	<b>39</b>
6.1 PRELIMINARY FINDING .....	39
6.2 LEGISLATIVE FRAMEWORK .....	39
6.3 EXPORTERS .....	41
6.4 DUMPING ASSESSMENT .....	41
6.5 LEVEL OF DUMPING .....	49
6.6 VOLUME OF DUMPED IMPORTS .....	50
<b>7 SUBSIDY INVESTIGATION</b> .....	<b>51</b>
7.1 PRELIMINARY FINDING .....	51
7.2 LEGISLATIVE FRAMEWORK .....	51
7.3 CONSULTATION WITH THE GOVERNMENT OF CHINA .....	51
7.4 SUBSIDY PROGRAMS .....	52
7.5 CALCULATION OF SUBSIDY MARGINS .....	57
7.6 LEVEL OF SUBSIDISATION.....	58
<b>8 ECONOMIC CONDITION OF THE INDUSTRY</b> .....	<b>59</b>

8.1	PRELIMINARY FINDING .....	59
8.2	APPROACH TO INJURY ANALYSIS.....	59
8.3	VOLUME EFFECTS.....	60
8.4	PRICE EFFECTS.....	62
8.5	PROFITS AND PROFITABILITY .....	64
8.6	OTHER ECONOMIC FACTORS .....	65
8.7	CONCLUSION .....	65
<b>9</b>	<b>HAVE DUMPING AND SUBSIDIES CAUSED MATERIAL INJURY? .....</b>	<b>67</b>
9.1	PRELIMINARY ASSESSMENT .....	67
9.2	LEGISLATIVE FRAMEWORK .....	67
9.3	APPROACH TO CAUSATION ANALYSIS .....	68
9.4	RONDO'S CLAIM CONCERNING INJURY CAUSED BY DUMPED AND SUBSIDISED GOODS .....	69
9.5	SIZE OF THE DUMPING AND SUBSIDY MARGIN .....	69
9.6	VOLUME EFFECTS.....	70
9.7	PRICE EFFECTS.....	72
9.8	PROFIT EFFECTS.....	76
9.9	OTHER ECONOMIC FACTORS .....	76
9.10	FACTORS OTHER THAN DUMPING AND SUBSIDISATION CAUSING INJURY .....	77
9.11	MATERIALITY OF DUMPING AND SUBSIDISATION CAUSING INJURY .....	82
<b>10</b>	<b>WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE .....</b>	<b>85</b>
10.1	PRELIMINARY FINDINGS .....	85
10.2	INTRODUCTION .....	85
10.3	WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE .....	85
<b>11</b>	<b>NON-INJURIOUS PRICE.....</b>	<b>87</b>
11.1	PRELIMINARY ASSESSMENT OF NIP.....	87
11.2	DISCUSSION .....	87
11.3	ASSESSMENT OF USP AND NIP .....	87
11.4	LESSER DUTY RULE.....	88
<b>12</b>	<b>PROPOSED MEASURES.....</b>	<b>90</b>
12.1	PRELIMINARY FINDING .....	90
12.2	FORMS OF DUMPING DUTY AVAILABLE.....	90
12.3	THE COMMISSION'S CONSIDERATION ON DUTY METHODS .....	91
12.4	AVOIDANCE OF 'DOUBLE COUNTING' OF SUBSIDY PROGRAM IN THE DUMPING MARGIN .....	92
<b>13</b>	<b>PRELIMINARY AFFIRMATIVE DETERMINATION AND AMENDMENT OF SECURITIES.....</b>	<b>93</b>
13.1	PRELIMINARY AFFIRMATIVE DETERMINATION – COUNTERVAILING DUTY NOTICE .....	93
13.2	REVISED SECURITIES.....	93
<b>14</b>	<b>APPENDICES AND ATTACHMENTS.....</b>	<b>95</b>
<b>15</b>	<b>APPENDIX A – ASSESSMENT OF ALLEGED SUBSIDY PROGRAMS.....</b>	<b>96</b>

## ABBREVIATIONS

\$	Australian dollars
ABC Depot	Australian Building & Construction Depot Pty Ltd
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
The Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
Aoshi	Guangzhou Aoshi Building Materials Co Ltd
The applicant	Rondo Building Services Pty Ltd
ASPI	Australian Strategic Policy Institute
China	The People's Republic of China
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CON 677	<i>Consideration Report 677</i>
CTMS	cost to make & sell
EPR	Electronic Public Record
Etex	Etex Australia Pty Ltd (branded Siniat)
FOB	free on board
FY	Financial year (1 July – 30 June)
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
GOC	Government of China
HIA	Housing Industry Association
HRC	hot rolled coil
ICD	interim countervailing duty
IDD	interim dumping duty
the injury period	the period 1 July 2020 to 30 June 2024
Intex	Intex Group International Pty Ltd
LTAR	less than adequate remuneration
the Manual	<i>the Dumping and Subsidy Manual</i>
MCC	model control code
the Minister	the Minister for Industry and Innovation and Minister for Science
NIP	Non-injurious Price
OCOT	Ordinary course of trade
PAD	preliminary affirmative determination
PMS	particular market situation
REP 590	<i>Anti-Dumping Commission Report 590</i>
REP 611	<i>Anti-Dumping Commission Report No 611</i>

REP 644	<i>Anti-Dumping Commission Report 644</i>
REP 645	<i>Anti-Dumping Commission Report 645</i>
REQ	response for to the exporter questionnaire
RIQ	response for to the importer questionnaire
Rondo	Rondo Building Services Pty Ltd
SCBA	Steel corner beads and angles
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SEF	statement of essential facts
SEF 658	<i>Statement of Essential Facts 658</i>
SIE	State-invested enterprise
SG&A	the selling, general and administrative expenses
SOE	State-owned enterprise
Studco	Studco Australia Pty Ltd
USP	unsuppressed selling price

# 1. SUMMARY AND RECOMMENDATIONS

## 1.1 Introduction

This statement of essential facts (SEF) sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to base their recommendations to the Minister for Industry and Innovation and Minister for Science (the Minister) concerning Investigation 677 (the investigation).

The Anti-Dumping Commission (the commission) has prepared this SEF in response to an application for the publication of a dumping duty and countervailing duty notice made by Rondo Building Services Pty Limited (Rondo, or the applicant). The application was made under section 269TB(1) of the Customs Act 1901 (the Act).<sup>1</sup>

The application was in respect of steel corner beads and angles (SCBA, or the goods) exported to Australia from the People's Republic of China (China). Rondo alleges that the Australian industry producing SCBA has experienced material injury caused by the goods exported to Australia from the People's Republic of China (China) at dumped and subsidised prices.

The Commissioner of the Anti-Dumping Commission (Commissioner) has preliminarily found that during the investigation period the goods exported to Australia from China were dumped and that countervailable subsidies have been received in respect of those goods. The Commissioner has also preliminarily found that the dumped and subsidised goods exported from China have caused material injury to the Australian industry producing like goods. Accordingly, the Commissioner proposes to recommend that the Minister publish a dumping duty notice and countervailable duty notice in respect of the goods exported to Australia from China.

The Commissioner's final recommendations to the Minister will be contained in a report currently due to the Minister by 2 June 2026<sup>2</sup> unless the investigation is terminated earlier or a further extension of time to provide the report is granted.

Interested parties should note that this SEF may not represent the final views of the Commissioner. The Commissioner invites interested parties to make submissions in response to this SEF. Further information concerning making submissions in response to this SEF is included in chapter 2.2 of this SEF.

## 1.2 Preliminary findings

The Commissioner has preliminarily found that:

- exports of the goods from China in relation to all exporters from that country were dumped during the investigation period and that the volume of dumped goods and margin of dumping was not negligible

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<sup>1</sup> All legislative references in this report are to the *Customs Act 1901* (the Act) unless otherwise specified.

<sup>2</sup> The commission notes that this SEF is published approximately 4 weeks before the SEF due date of 24 March 2026. It is likely the Commissioner's final recommendations to the Minister will be provided before the due date of 2 June 2026.

- exports of the goods from China in relation to all exporters from that country were subsidised during the investigation period and the margin of subsidy was not negligible.
- the dumping and subsidisation of the goods from China has caused material injury to the Australian industry producing like goods.

The calculated combined interim dumping duty (IDD) and interim countervailing duty (ICD) is 56%. There were no cooperating exporters in this investigation. As a consequence, an *uncooperative and all other exporters* IDD rate and ICD rate has been determined.

The Commissioner has preliminarily found that applying the lesser duty amount is adequate to remove the injury caused by dumped and subsidised goods from China (see Chapter 11). Therefore, the proposed combined effective rate of IDD and ICD is 35.6%. This effective combined rate has been determined after applying the lesser duty rule and after removing the double count of a subsidy program. The individual IDD and ICD rates and the adjustments made are summarised in Table 1.

	Rates	IDD		ICD	Combined IDD and ICD	Form of measures
		Before LTAR removed <sup>3</sup>	After LTAR removed			
Uncooperative and all other exporters.  <i>There were no cooperating exporters in this investigation</i>	Before the lesser duty rule applied	52.5%	51.5%	4.5%	56.0%	<i>Ad valorem</i> IDD and ICD
	After lesser duty rule applied	32.3%	31.3%	4.5%	<b>35.8%</b>	

**Table 1: Proposed measures resulting from this investigation**

The Commissioner proposes to recommend that the IDD and ICD be applied using the *ad valorem* duty method.

Based on the findings in this SEF, the Commissioner has determined that it is appropriate to extend the existing preliminary affirmative determination (PAD) to also cover countervailing duties. The PAD issued on 14 October 2025 in relation to dumping duties remains unchanged. In accordance with section 269TD, the Commissioner has therefore made a PAD in relation to a countervailing duty notice. A combined ICD and IDD of 35.8% applies to *uncooperative and all other exporters*, as set out in Table 5 below.

Securities will be taken in relation to IDD and ICD that may become payable on goods entered for home consumption on and from 24 February 2026. As the non-injurious price (NIP) remains unchanged from that adopted at the original PAD stage, the level of IDD continues to apply without amendment. The addition of ICD is based on the Commissioner being satisfied that subsidisation has occurred and that the volume of subsidised exports is not negligible.

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<sup>3</sup> Less than adequate remuneration (LTAR).

Based on these preliminary findings and, subject to any submissions received in response to this SEF, the Commissioner proposes to recommend that the Minister publish a dumping duty notice and a countervailing duty notice in respect of exports of the goods from China.

The preliminary findings in this SEF are further summarised in the sections below. Detailed information concerning these findings are contained in each of the relevant chapters of this SEF.

**1.2.1 The goods, like goods and the Australian industry (chapters 3 and 4)**

The Commissioner is preliminarily satisfied that locally produced SCBA are ‘like’ to the goods the subject of the application. The Commissioner is preliminarily satisfied that there is an Australian industry producing like goods. Australian manufacturers of like goods include:

- Rondo Building Services Pty Ltd (Rondo)
- (Studco)
- Etex Australia Pty Ltd (branded Siniat) (Etex)<sup>4</sup>

**1.2.2 Australian market (chapter 5)**

The Commissioner preliminarily finds that the Australian market is supplied by SCBA produced by the Australian industry, comprising of Rondo, Studco and Etex. The market is also supplied by SCBA imported predominantly from China, with a smaller volume imported from Federal Republic of Germany (Germany), Republic of India (India), Malaysia and other countries.

The Australian market size for SCBA decreased over the injury analysis period with the peak being in financial year (FY) 2021 followed by a sharp decline in FY 2022 and a recovery in FY 2023 and FY 2024.<sup>5</sup> Over the same period, the share of the market supplied by imports from China increased while the share of the market supplied by the Australian industry decreased.

**1.2.3 Dumping investigation (chapter 6)**

The Commissioner preliminarily finds that the goods exported to Australia from China during the investigation period were dumped. The preliminary dumping margin is set out in Table 2.

Exporter	Dumping margin
Uncooperative and all other exporters	52.5%

**Table 2: Preliminary dumping margin**

The Commissioner is preliminarily satisfied that the goods exported to Australia from China by the uncooperative and all other exporters were at dumped prices, and that:

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<sup>4</sup> Collectively referred to in this report as the Australian industry.

<sup>5</sup> Financial year (FY) covers the period 1 July to 30 June of the specified year.

- the dumping margin for goods exported by the uncooperative and all other exporters from China was not negligible; and
- the volume of dumped goods exported from China by the uncooperative and all other exporters was not negligible.

#### **1.2.4 Subsidy investigation (chapter 7)**

The Commissioner preliminarily finds that the goods exported to Australia from China were subsidised. The preliminary subsidy margin is set out in Table 3.

<b>Exporter</b>	<b>Subsidy margin</b>
Uncooperative and all other exporters	4.5%

**Table 3: Preliminary subsidy margin**

The Commissioner is preliminarily satisfied that the goods exported to Australia from China by the uncooperative and all other exporters during the investigation period were at subsidised prices, and that:

- the countervailing margin for goods exported by the uncooperative and all other exporters was not negligible; and
- the volume of countervailable goods exported from China by the uncooperative and all other exporters was not negligible.

#### **1.2.5 Economic condition of the Australian industry (chapter 8)**

The Commissioner preliminarily finds that the Australian industry has experienced injury in the investigation period in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity.

#### **1.2.6 Has dumping and subsidisation caused material injury? (chapter 9)**

The Commissioner is preliminarily satisfied that exports of the dumped and subsidised goods from China has caused material injury to the Australian industry producing like goods. With respect to price, volume and profit injury the Commissioner has preliminarily found:

- dumped and subsidised goods were exported from China to Australia during the investigation period (chapters 6 and 7) and this coincided with the Australian industry experiencing material injury

- importers purchased the goods from China at dumped and subsidised prices in the investigation period, which enabled imported goods to be offered in the Australian market at lower prices than would otherwise have been the case
- the presence of dumped and subsidised imports placed downward pressure on the Australian industry's selling prices, contributing to price depression and preventing the Australian industry from achieving price increases that might otherwise have occurred, resulting in price suppression
- because of these price effects and in combination with the volume of dumped and subsidised imports, the Australian industry experienced material injury in the form of lost sales volume, reduced market, price depression, price suppression and reduced profit and profitability.

### **1.2.7 Will dumping and subsidisation continue (chapter 10)**

The Commissioner is preliminarily satisfied that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

### **1.2.8 Non-injurious price (chapter 11)**

The Commissioner has preliminarily found that the non-injurious price (NIP) is less than the normal value for all exporters. The NIP was established based on a constructed unsuppressed selling price (USP), which is discussed in chapter 11 of this report.

The Dumping Duty Act requires the Minister to have regard to the desirability of specifying a lesser amount of duty than the full dumping or subsidy margin where the imposition of that lesser amount is adequate to remove injury.<sup>6</sup>

Section 269TACA concerns the NIP of the goods exported to Australia and states *inter alia* that it is "...the minimum price necessary...to prevent the injury, or a recurrence of the injury..." which arises from dumping or subsidisation. These provisions incorporate the principle in Article 9.1 of the ADA and Article 19.2 of the SCM Agreement, which concern the desirability of imposing a lesser duty where it is adequate to remove the injury.<sup>7</sup>

The Commissioner has preliminarily found that applying the lesser duty amount is adequate to remove the injury caused by dumped and subsidised goods from China. Therefore, the Commissioner has preliminarily found that the Minister<sup>8</sup> should consider applying the lesser duty rule.

### **1.2.9 Proposed measures (chapter 12)**

The Commissioner proposes to recommend that the Minister have regard to the *ad valorem* duty method when working out the amount of IDD and ICD payable in respect of the goods.

In working out the amount of IDD and ICD payable in respect of the goods, the Commissioner applied a lesser amount of duty such that the combined effective rate of IDD and ICD payable does not exceed the NIP.

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<sup>6</sup> Dumping and Subsidy Manual, page 113.

<sup>7</sup> *Ibid.*

<sup>8</sup> The Minister for Industry and Innovation and Minister for Science (the Minister).

The preliminary effective rate of IDD and ICD payable on the goods imported from China is summarised in Table 4.

Exporter	Duty method	Effective rate of IDD & ICD (%)
Uncooperative and all other exporters	<i>Ad valorem</i>	35.8%

**Table 4: Effective rates of IDD & ICD**

**1.2.10 Preliminary affirmative determination and amendment to securities (chapter 13)**

A preliminary affirmative determination (PAD) was made on 14 October 2025 after the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China. Following the PAD, securities were taken in respect of IDD on goods entered for home consumption on or after 15 October 2025 to prevent material injury to the Australian industry while the investigation continued.

As outlined in Chapter 2.5, the Commissioner did not make a finding on countervailable subsidies at the time of the PAD and therefore no securities were taken for ICD. For the purposes of this SEF, and based on the further analysis set out in Chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible and proposes to make a PAD in relation to ICD and to revise the level of securities in relation to IDD.

The revised securities incorporate the updated variable factors and the revised NIP discussed in Chapter 6 and Chapter 11 respectively. As a result of these updates, the level of IDD has been revised from 32.3% to 31.3%. The revised securities therefore reflect both the updated IDD and the addition of ICD, resulting in a total of 35.8%.

The revised securities specified in Table 5 will be taken as an amount worked out in accordance with the *ad valorem* duty method and will apply to the goods imported to China and will apply to the goods imported from China and entered for home consumption in Australia on and from 24 February 2026.

Exporter	Dumping security taken on and from 15 October 2025 to 23 February 2026	Dumping and countervailing security on and from 24 February 2026
Uncooperative and all other exporters	32.3%	35.8%

**Table 5: Securities payable by importers of the goods**

**1.3 Information considered in preparation of this SEF**

The Commissioner’s preliminary findings and conclusions in this SEF rely on the information available at this stage of the investigation.

At initiation of the investigation, the Commissioner established an investigation period of 1 July 2023 to 30 June 2024. The Commissioner examined exports to Australia of the

goods from China during this period to determine whether dumping and subsidisation had occurred.

The Commissioner also examined information relating to the economic condition of the Australian industry and Australian market from 1 July 2020 for the purposes of the injury analysis.

In preparing this SEF, the Commissioner had regard to the following:

- Rondo's application and supporting application evidence
- importer questionnaire responses received from participating importers and other information received from participating importers concerning their questionnaire responses
- an Australian industry questionnaire response from Studco Building Systems (Studco)
- submissions received concerning the publication of the dumping duty notice and countervailing duty notice, including data provided by interested parties
- information considered from the previous Investigation 650, including relevant submissions and data received prior to its withdrawal<sup>9</sup>
- information obtained during verification visits to Rondo and an Australian importer of the goods, Intex Group International Pty Ltd (Intex)
- data from the Australian Border Force (ABF) import database
- data obtained from independent third-party data providers
- the commission's previous findings with respect to the steel industry and markets in China as specified in this SEF and
- all other relevant matters and information as outlined in this SEF.

The commission is assisting the Commissioner to conduct the investigation, pursuant to the commission's function specified in section 269SMD.

Further information on the conduct of the investigation is included in chapter 2 of this SEF.

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<sup>9</sup> SEF 677 has had regard to information received during Investigation 650 (INV 650), which was initiated on 28 August 2024 following an earlier application by Rondo in relation to these goods. INV 650 was discontinued following Rondo's withdrawal of its application on 27 May 2025, after identifying an error in the goods description that broadened the scope beyond what was originally intended. Section 2.3.1 outlines more detail on the withdraw of INV 650.

## **2 BACKGROUND**

### **2.1 Legislative framework**

#### **2.1.1 Legislative test**

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1) of the Act, for the purpose of making a report to the Minister.

Under section 269TEA(1), in the report to the Minister, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG and/or a subsidy notice under 269TJ.

Under sections 269TG, 269TJ and 269TJA, in order to publish a dumping duty and/or countervailing duty notice, the Minister must be satisfied that, because of dumping and/or subsidisation, the Australian industry has experienced material injury.

Section 269TDA sets out certain circumstances in which the Commissioner must terminate an investigation. The Commissioner must terminate if satisfied that dumping margins or countervailable subsidies of an exporter are negligible (s 269TDA(1) and (2)). If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13)
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14).

#### **2.1.2 Statement of essential facts**

Section 269TDAA(1) requires the Commissioner to publish a statement of the facts on which they propose to base their recommendations to the Minister in relation to the application. This is referred to as the SEF.

Section 269TDAA(2) requires the Commissioner, in formulating the SEF, to have regard to the application and any submissions received within 37 days of the initiation of the investigation.<sup>10</sup> Under section 269TDAA(3), the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 37 days if to do so would, in the Commissioner's opinion, prevent the timely placement of the SEF on the Electronic Public Record (EPR).<sup>11</sup>

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<sup>10</sup> Section 269TDAA(2)(a).

<sup>11</sup> The EPR contains non-confidential submissions by interested parties. The non-confidential versions of the commission's visits reports and other publicly available documents. It is available online at [www.adcommission.gov.au](http://www.adcommission.gov.au).

The Commissioner may also have regard to any other matters they consider relevant.<sup>12</sup>

### **2.1.3 Final report**

Section 269TEA(1) requires the Commissioner, after conducting an investigation in respect of the application, to give the Minister a report which recommends (among other things) whether a dumping duty notice, or countervailing duty notice (as relevant), should be published and the extent of any duties that are, or should be, payable because of that notice.

Section 269TEA(3) requires the Commissioner, in deciding on the recommendations to be made to the Minister in the report, to have regard to:

- the application
- any submissions to which the Commissioner had regard to in formulating the SEF
- the SEF
- any submissions made in response to the SEF received within 20 days of the publication of the SEF
- any other matters the Commissioner considers relevant.

Under section 269TEA(4), the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 20 days if to do so would, in the Commissioner's opinion, prevent the timely preparation of the report to the Minister.

## **2.2 Responding to this SEF**

This SEF sets out the essential facts on which the Commissioner proposes to base their final recommendations to the Minister. This SEF represents an important stage in the investigation. It informs interested parties of the facts established and allows them to make submissions in response to the SEF.

It is important to note that the SEF may not represent the final views of the Commissioner. Interested parties are invited to make submissions to the Commissioner in response to the SEF within 20 days of the SEF being placed on the public record. The Commissioner will consider submissions made within 20 days of the SEF in making a final report to the Minister.

If providing a final report to the Minister, the Commissioner will recommend whether or not a dumping duty notice and a countervailing duty notice should be published, and the extent of any interim duties that are, or should be, payable. The Commissioner must report to the Minister by 2 June 2026, unless they terminate the investigation or a further extension of time to provide the final report is granted.<sup>13</sup>

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<sup>12</sup> Section 269TDAA(2)(b).

<sup>13</sup> The commission notes that this SEF is published approximately 4 weeks before the SEF due date of 24 March 2026. It is likely the Commissioner's final recommendations to the Minister will be provided before the due date of 2 June 2026.

Interested parties should provide responses to this SEF no later than 16 March 2026.<sup>14</sup> The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister.

Interested parties should preferably email their submissions to [investigations4@adcommission.gov.au](mailto:investigations4@adcommission.gov.au).

Alternatively, they may be posted to:

Director Investigations 4  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601  
AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the Public Record. A guide for making submissions is available at the commission's web site at [www.adcommission.gov.au](http://www.adcommission.gov.au).

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the commission's verification reports and other publicly available documents. The public record is available online at [www.adcommission.gov.au](http://www.adcommission.gov.au).

Interested parties should read this SEF in conjunction with other documents on the public record.

## 2.3 Application and initiation

On 5 May 2025, Rondo lodged an application within the Commissioner under section 269TB(1) alleging that the Australian industry for the goods has experienced material injury caused by the goods being exported to Australia from China at dumped and subsidised prices. A non-confidential version of the application is available on the EPR.<sup>15</sup>

Having considered the application, the Commissioner decided not to reject the application and initiated the investigation on 30 May 2025.<sup>16</sup>

Anti-Dumping Notice (ADN) 2025/045 (initiation notice) and *Consideration Report 677* (CON 677) provide further details on the Commissioner's consideration of the application and initiation of the investigation.<sup>17</sup>

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<sup>14</sup> Submissions are due within 20 days of the SEF being published. As the due date falls on a weekend (15 March 2026), the due date falls to the next business day.

<sup>15</sup> EPR 677, item no 1.

<sup>16</sup> EPR 677, item no 2.

<sup>17</sup> EPR 677, items 2 and 3.

### **2.3.1 Prior application**

Rondo previously lodged an application for an investigation concerning certain steel corner beads and angles on 3 June 2024. The Commissioner accepted the application and initiated Investigation No. 650 (INV 650) on 28 August 2024.

Following initiation, Rondo identified that the goods description in INV 650 incorrectly specified a base metal thickness of up to and including 40 millimetres. This description captured a broader range of goods than intended by Rondo. To address this error, Rondo submitted a new application with a revised goods description specifying a minimum base metal thickness of up to and including 0.49 millimetres.

Rondo withdrew its application for INV 650 on 27 May 2025. Upon acceptance of the withdrawal, the commission ceased further inquiries in relation to INV 650.

In its current application, Rondo requested that the investigation period remain consistent with INV 650 (1 July 2023 to 30 June 2024). The commission considers that keeping the original investigation period is preferable in these circumstances, noting that interested parties cooperating with the earlier inquiry will be able to participate in this new investigation without having to make significant alterations to earlier submissions and questionnaire responses made in INV 650.

## **2.4 Conduct of the investigation**

### **2.4.1 Investigation period and injury period**

At initiation of the investigation, the Commissioner established an investigation period of 1 July 2023 to 30 June 2024.<sup>18</sup> The Commissioner examined exports to Australia of the goods from China during this period to determine whether dumping and subsidisation occurred.

The Commissioner also set an injury period from 1 July 2020 to assess the economic condition of the Australian industry and assess potential injury factors.

### **2.4.2 Australian industry**

The Commissioner is satisfied that there is an Australian industry producing like goods to the goods the subject of the application, the largest producer being Rondo. Rondo produces goods that are similar or have characteristics that closely resemble the goods the subject of the investigation and that the goods are wholly manufactured in Australia.

The commission conducted a visit to Rondo's manufacturing premises in April 2025 to verify the accuracy, completeness and relevance of Rondo's sales and cost data, including other information provided in Rondo's application.

The commission also sent Australian industry member market questionnaires to Etex and Studco, being the two other Australian manufacturers identified by Rondo that produce

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<sup>18</sup> Refer to section 2.3.1 for more detail on the investigation period.

like goods. The commission received a completed response to the questionnaire from Studco, which was published on the EPR on 4 July 2025.<sup>19</sup> The commission did not receive a questionnaire response from Etex. The commission contacted Etex via emails and phone calls inviting Etex to participate in the investigation, however, Etex declined.

### **2.4.3 Importers**

Following the initiation of this investigation, the commission identified entities from the ABF import database that imported goods classified to the tariff subheadings specified in Rondo's application during the investigation period, as well as suppliers in the Australian market that may have imported the goods. The commission contacted these parties and issued importer questionnaires and also placed the importer questionnaire and associated spreadsheets on the commission's website for importers to complete.

The commission received a response to the importer questionnaire (RIQ) from Intex, a plastering products supplier that primarily imports and distributes light gauge steel wall and ceiling products for use in commercial and residential construction in Australia and New Zealand. The commission also received a partial response to the RIQ from Australian Building & Construction Depot Pty Ltd (ABC Depot).

The commission conducted a visit to Intex's premises in August 2025 to verify the accuracy, completeness and relevance of Intex's information and data provided in its RIQ. A verification report outlining the key findings from this verification is available on the public record.<sup>20</sup>

The commission did not proceed with a verification visit to ABC Depot as the questionnaire response was only partially completed and was assessed as deficient.

### **2.4.4 Exporters**

Following the initiation of this investigation, the commission contacted and forwarded questionnaires to multiple interested parties, including entities or persons that have exported the goods to Australia from China during the investigation period. The commission also placed the exporter questionnaire, including associated spreadsheets, on the commission's website for exporters to complete. The commission did not receive any responses to the full exporter questionnaire by the due date.<sup>21</sup>

On 25 August 2025, Guangzhou Aoshi Building Materials Co Ltd (Aoshi) and its unrelated producer Wenan Jinkai Building Material Co., Ltd (Jinkai) submitted its response to the exporter questionnaire (REQ) after the specified due date. After reviewing the information provided, the commission determined that Aoshi did not export the goods to Australia during the investigation period. For these reasons, goods exported to Australia by Aoshi cannot be examined for the purpose of assessing whether dumping has occurred under section 269TACB(1). The commission has also considered Aoshi's submission dated 5 November 2025<sup>22</sup>, in which Aoshi stated that a contract dated within the investigation

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<sup>19</sup> EPR 677, item no 7.

<sup>20</sup> EPR 677, item no 16.

<sup>21</sup> The due date to submit a REQ was 7 July 2025.

<sup>22</sup> EPR 677, item no 15.

period should be treated as the date of sale and therefore sufficient for it to be regarded as an exporter.

Aoshi submitted that the contract date should be regarded as the date of sale and that because all material terms were fixed at that time, the contract constitutes both the date of sale and the date of export. The commission notes Aoshi's position regarding the determination of a date of sale; however, this consideration is relevant only once exportations have occurred. Under section 269TACB(1), a dumping determination requires the Minister to compare normal value with an export price established in accordance with section 269TAB for goods exported to Australia during the investigation period. As Aoshi did not export the goods during this period, an export price cannot be established. The existence of a contract alone does not satisfy the statutory requirement that goods have been exported during the investigation period.

Under the Act, the conduct of an investigation to actual exportations of the goods to Australia during the investigation period. Section 269TC(4)(bf) requires that the report to the Minister be based on an examination of exportations to Australia during the declared investigation period and sections 269TG(1) and 269TG(2) similarly refer to goods that have been exported to Australia. These provisions indicate that examination of exportations in an investigation depends on those exportations occurring within the specified investigation period, rather than on the existence of contractual arrangements alone.

While the commission acknowledges the evidence provided by Aoshi regarding the contract date, these submissions do not alter the requirement under the Act that an exporter must have exported the goods to Australia during the investigation period. As no such exportations occurred, Aoshi cannot be treated as an exporter for this investigation.

#### **2.4.5 Uncooperative exporters and non-cooperative entities**

The Commissioner considered the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Customs Direction) and section 269T and determined that any exporter which did any of the following is an 'uncooperative exporter' for the purposes of this investigation:

- failed to provide a response to the exporter questionnaire or failed to request a longer period to provide a response within the time specified in ADN 2025/045, being 7 July 2025,<sup>23</sup> or
- provided a REQ within the legislated period that did not provide information relevant to the case.

The Commissioner determines that all exporters are 'uncooperative exporters' for the purposes of the investigation.

Section 269T(1) provides that an exporter is an 'uncooperative exporter' in relation to an inquiry where the Commissioner is satisfied that:

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<sup>23</sup> This is the relevant legislated period.

- the exporter did not give the Commissioner information that the Commissioner considered to be relevant to the investigation within a period the Commissioner considered to be reasonable, or
- the exporter significantly impeded the investigation.

Section 269TACAA of the Act similarly provides for circumstances where exporters do not cooperate with a subsidy investigation.

The Customs Direction states at section 8 that the Commissioner must determine an exporter to be an uncooperative exporter if that exporter:

- fails, within the legislated period, to:
  - provide a response, or
  - request a longer period to provide a response, or
- provides a response within the legislated period that the Commissioner considers did not provide information relevant to the case.

#### **2.4.6 Government of China**

At initiation, the commission sent a questionnaire to the Government of China (GOC) to complete. The questionnaire included questions relating to Rondo's claims concerning subsidisation and the claimed particular market situation (PMS). The questionnaire also included questions relating to the Chinese steel industry and market. The commission did not receive a response to this questionnaire.

### **2.5 Preliminary affirmative determination**

In accordance with section 269TD(1), the Commissioner may make a PAD if satisfied that:

- there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice<sup>24</sup>, or
- it appears that there will be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice subsequent to the importation of the goods into Australia<sup>25</sup>

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, 29 July 2025)<sup>26</sup> and the Commonwealth may require and take securities at the time a PAD is made or at any time during the investigation after a PAD has been made if the Commissioner is satisfied that it is necessary to do so to prevent material

On 14 October 2025, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China and made a PAD to that effect.<sup>27</sup> Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation

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<sup>24</sup> Section 269TD(1)(a).

<sup>25</sup> Section 269TD(1)(b).

<sup>26</sup> Section 269TD(1).

<sup>27</sup> Refer to ADN 2025/103, EPR 677 item no 13.

continued, securities were taken in respect of any IDD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 15 October 2025.

As outlined in the PAD, the Commissioner did not make a finding in relation to countervailable subsidies at that time, noting the absence of responses to the exporter and government questionnaires.<sup>28</sup> For the purposes of this SEF, the matter has been further examined and as set out in Chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports is not negligible.

As outlined in Chapter 13 of this SEF, the Commissioner remains satisfied that it is necessary to require and take securities to prevent material injury to the Australian industry occurring while the investigation continues. As the Commissioner is satisfied that subsidisation has occurred and that the volume of subsidised exports is not negligible, the Commissioner will revise the level of securities required and taken under section 42 of the Act to reflect both the updated level of IDD and the inclusion of ICD.

## 2.6 Submissions from interested parties

The commission has received 8 submissions to the date of this SEF. Non-confidential versions of these submissions are available on the public record. Table 6 lists these submissions.

EPR document no	Interested party	Date received	Chapter reference
4	Rondo	12 June 2025	Chapter 9
5	Rondo	10 July 2025	Chapter 9
8	Intex	27 August 2025	Chapter 9
9	Rondo	11 September 2025	Chapter 9
11	Intex	14 October 2025	Chapter 9
14	Intex	29 October 2025	Chapter 9
15	Aoshi	5 November 2025	Chapter 2
17	Rondo	14 January 2026	Chapter 7

**Table 6: Submissions received from interested parties**

The Commissioner had regard to all submissions referred to in Table 6<sup>29</sup> in preparing the SEF. The submissions are addressed in the relevant chapters of this SEF.

## 2.7 Statement of essential facts

As required by section 269TDAA(1), the Commissioner must, within 110 days after the initiation of an investigation or such longer period as is allowed under section 269ZHI(3)

<sup>28</sup> Ibid.

<sup>29</sup> The commission also received submissions in the prior investigation (Investigation 650) and has had regard to relevant aspects of those submissions, where applicable, in preparing this SEF.

place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.

The SEF was originally due to be published on or before 17 September 2025. The commission obtained one extension of time for the due date for the SEF and final report. The Commissioner is now required to place the SEF on the public record by 24 March 2026.

## **2.8 Final report**

Section 269TEA(1) requires the Commissioner, after conducting an investigation, to give the Minister a report recommending whether any notice should be published and the extent of any duties that are or should be payable under the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act).

The Commissioner's final report and recommendations in relation to this investigation must be provided to the Minister on or before 2 June 2026, unless the investigation is terminated earlier or a further extension of time to provide the final report is granted.<sup>30</sup>

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<sup>30</sup> The commission notes that this SEF is published approximately 4 weeks before the SEF due date of 24 March 2026. It is likely the Commissioner's final recommendations to the Minister will be provided before the due date of 2 June 2026.

## **3 THE GOODS AND LIKE GOODS**

### **3.1 Preliminary finding**

The commission considers that steel corner beads and angles manufactured locally comprises 'like goods' to the goods the subject of the application.

### **3.2 Legislative framework**

Section 269TC(1) of the Act requires that the Commissioner must reject an application for a dumping duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are "like" to the imported goods. Section 269T(1) defines like goods 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".*

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must, however, produce goods that are "like" to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- i. physical likeness;
- ii. commercial likeness;
- iii. functional likeness; and
- iv. production likeness.

The Commissioner must also consider whether the Australian industry manufactures 'like' goods in Australia. Section 269T(2) specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3), to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

### **3.3 The goods**

The goods the subject of the application (the goods) are:

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 0.49 millimetres, of varying steel grades, with various leg profiles, at various widths and lengths.

Further information regarding the goods the subject of the investigation can be found in CON 677 and ADN 2025/045.<sup>31</sup>

### 3.4 Tariff classification

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

Tariff classification		
Tariff code	Statistical code	Description
7216	ANGLES, SHAPES AND SECTIONS OF IRON OR NON-ALLOY STEEL:	
7216.6	<b>- Angles, shapes and sections, not further worked than cold-formed or cold-finished:</b>	
7216.61.00	57	-- Obtained from flat-rolled products
7216.69.00	58	-- Other
7216.9	<b>- Other:</b>	
7216.91.00	59	-- Cold-formed or cold-finished from flat-rolled products
7216.99.00	60	-- Other
7308	STRUCTURES (EXCLUDING PREFABRICATED BUILDINGS OF 9406) AND PARTS OF STRUCTURES (FOR EXAMPLE, BRIDGES AND BRIDGE-SECTIONS, LOCK-GATES, TOWERS, LATTICE MASTS, ROOFS, ROOFING FRAMEWORKS, DOORS AND WINDOWS AND THEIR FRAMES AND THRESHOLDS FOR DOORS, SHUTTERS, BALUSTRADES, PILLARS AND COLUMNS), OF IRON OR STEEL; PLATES, RODS, ANGLES, SHAPES, SECTIONS, TUBES AND THE LIKE, PREPARED FOR USE IN STRUCTURES, OF IRON OR STEEL:	
7308.90.00	53	..Plated or coated with zinc or with aluminium-zinc alloys, of a thickness less than 1.2 mm

**Table 7: Tariff classification of the goods**

The commission has provided these tariff classifications for guidance only and importers should make their own enquiries with the ABF when declaring imports. The above tariff subheadings and statistical codes may include goods that are both subject and not subject to this investigation.

The listing of these tariff subheadings and statistical codes are for reference only and do not form part of the goods description set out above. Interested parties should refer to the goods description for authoritative detail regarding the particulars of the goods the subject of this investigation.

### 3.5 Model control codes

The commission has used a model control code (MCC) structure to identify key characteristics for, among other things, model matching when comparing export prices and normal values.<sup>32</sup>

<sup>31</sup> EPR 677, item no 2 and 3.

<sup>32</sup> See ADN 2025/045 and chapter 14 of the *Dumping and Subsidy Manual* (December 2021) ([The Manual](#)).

Category	Sub-category	Identifier <sup>33</sup>	Sales data	Cost data
Coating type	Zinc coated	Z	Mandatory	Mandatory
	Zinc Aluminum coated	ZA		
	Zinc Magnesium coated	ZM		
	Aluminum Zinc coated	AZ		
	Aluminum Zinc Magnesium coated	AM		
	Other	B		
Coating mass	≤ 50 g/m <sup>2</sup>	1	Mandatory	Mandatory
	> 50 g/m <sup>2</sup> – ≤ 100 g/m <sup>2</sup>	2		
	> 100 g/m <sup>2</sup> – ≤ 200 g/m <sup>2</sup>	3		
	> 200 g/m <sup>2</sup> – ≤ 300 g/m <sup>2</sup>	4		
	> 300 g/m <sup>2</sup>	5		
Base Metal Thickness (BMT)	≤ 0.25 mm	1	Mandatory	Mandatory
	> 0.25 mm – ≤ 0.30 mm	2		
	> 0.30 mm – ≤ 0.35 mm	3		
	> 0.35 mm – ≤ 0.40 mm	4		
	> 0.40 mm – ≤ 0.45 mm	5		
	> 0.45 mm – ≤ 0.49 mm	6		
Widest leg profile width	≤ 20 mm	A	Mandatory	Mandatory
	> 20 mm – ≤ 25 mm	B		
	> 25 mm – ≤ 30 mm	C		
	> 30 mm – ≤ 35 mm	D		
	> 35 mm – ≤ 40 mm	E		
	> 45 mm	F		
	Other	O		
Angle	90 degrees	90	Mandatory	Mandatory
	135 degrees	135		
	Other	O		
Length	< 1,800 mm	1	Mandatory	Not applicable
	≥ 1,800 mm – ≤ 3,600mm	2		
	> 3,600 mm	3		

**Table 8: MCC structure for INV 670**

Interested parties were invited to make submissions with proposals to modify the MCCs. The commission did not receive any submissions which contained a proposal to modify the MCCs.

<sup>33</sup> The codes detailed in the identifier column of the proposed table are used by interested parties to identify the characteristics of the goods as listed in the sub-categories.

The commission notes that, due to limited cooperation in the investigation, the proposed MCC structure had limited relevance to the commission's analysis in the investigation. In assessing whether dumping and subsidisation has caused material injury to the Australian industry, the commission examined the goods sold by Intex and Rondo and identified product codes that were suitable for direct comparison. These comparisons could be made at the product-code level notwithstanding variations within the MCC framework. The commission's analysis is set out in chapter 9.

## **3.6 Like goods**

### **3.6.1 Finding**

The commission conducted research into whether the locally produced goods are like to the goods during verification visits of Rondo and Intex and through open-source research of the known importers and local producers.

The Commissioner is satisfied that the domestically produced goods are like to the goods because the following characteristics of each closely resemble each other:

- physical likeness
- commercial likeness
- functional likeness and
- production likeness.

The following analysis outlines the commission's assessment of whether the domestically produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

### **3.6.2 Legislative framework**

Section 269TC(1) requires that the Commissioner reject an application for a dumping and countervailing duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

Like goods are defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4), and 269T(4A) are used to determine whether the like goods are produced in Australia and whether there is an Australian industry producing like goods.

### **3.6.3 Physical likeness**

The commission found that the primary physical characteristics (including dimension, shape and colour) of the imported SCBA and the SCBA produced by Rondo and other members of the Australian industry are similar in physical appearance.

### **3.6.4 Commercial likeness**

The commission found that the imported SCBA and the SCBA produced by Rondo and other members of the Australian industry are commercially alike as they are sold to common customers and compete for the same customers in the same market segment.

The commission found that both the imported and locally produced SCBA are sold to retailers and wholesalers, who subsequently sell the goods to end users (typically, plasterers), or SCBA are sold directly to contractors (also, typically plasterers).

### **3.6.5 Functional likeness**

The commission considers that both the imported goods and Australian-produced goods are functionally alike. Both products are primarily used in plastering and drywall finishing applications, where they are fixed to drywall surfaces before being finished with plasterboard or joint compound. The commission found that the imported and Australian-produced SCBA are interchangeable, distributed through similar channels and used by the same end-users for the same purposes. Accordingly, the commission is satisfied that the locally produced SCBA and imported SCBA perform the same function and share the same end-use characteristics.

### **3.6.6 Production likeness**

The commission considers that the Australian industry produces like goods in a similar manner to the imported goods, using the same raw material inputs (steel coil) and manufacturing processes which transform the steel coil into the desired SCBA.

### **3.6.7 Australian industry producing like goods**

The commission has identified three Australian manufacturers of SCBA, including the applicant, Rondo, as well as Etex and Studco.

### **3.6.8 Submissions received in relation to like goods**

#### Intex Group International Pty Ltd

On 26 February 2025, Intex provided a submission in the prior investigation into certain SCBA (INV 650).<sup>34</sup><sup>35</sup> In its submission, Intex stated that SCBA should be understood as components within a broader “wall and ceiling system” rather than as standalone goods. Intex submitted that, when considered at the system level, imported SCBA are not interchangeable at the individual component level and that competition occurs between complete systems rather than between individual products. Intex reiterated this claim in its subsequent submission for this investigation dated 27 August 2025<sup>36</sup> and provided a further submission dated 27 October 2025 outlining Etex’s market offering of a one-entity one-stop “ceiling and wall systems” supply.<sup>37</sup>

On 12 March 2025, Rondo responded to Intex, disagreeing with the characterisation of SCBA as part of a “system” and stated that SCBA are standalone products. Rondo submitted that SCBA are installed at plasterboard corners to provide a smooth finish and a knock-resistant edge and that SCBA do not come into contact with wall framing components. Rondo noted that, because SCBA are not part of a wall framing system, they are not engineer-specific nor included in wall framing designs. Rondo also submitted

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<sup>34</sup> The submission was provided in the prior investigation into certain SCBA (INV 650). The commission considers it relevant to this investigation as the goods under consideration are similar, with the only substantive change between the investigations being the base metal thickness (BMT).

<sup>35</sup> EPR 650, item no 8

<sup>36</sup> EPR 677, item no 8

<sup>37</sup> EPR 677, item no 17

that SCBA operate independently in the market and that their characteristics influence end-user preferences.<sup>38</sup>

### The commission's assessment

Intex submitted that SCBA should be considered as components within broader “wall and ceiling systems” and that suppliers market complete systems rather than individual components. The commission acknowledges that “wall and ceiling systems” are recognised in the industry as engineered framing assemblies comprising components such as steel studs and tracks, noggings, furring channels, and top cross rails, which together form the structural framework of wall and ceilings. This reflects publicly available information describing metal framing systems as engineered structural assemblies designed and specified by engineers. However, publicly available information and product catalogues do not classify SCBA alongside these framing system components. SCBA are described as plasterboard finishing profiles used to create a defined edge and provide impact resistance at corners and junctions. These descriptions indicates that SCBA perform a finishing function rather than a structural one.<sup>39</sup>

The commission also examined major supplier system listings. For example, Siniat’s “Metal Framing System” webpages list engineered structural framing elements such as studs, tracks, deflection head tracks and related load-bearing components, but do not include SCBA or any plasterboard finishing profiles within this system category.<sup>40</sup> This treatment is consistent with other product catalogues, where SCBA are located in the finishing or plasterboard accessories categories rather than under structural wall and ceiling systems.

The commission notes that purchasing multiple wall and ceiling products from a single supplier may occur for commercial reasons; however, this does not establish that SCBA form part of an engineered structural system. Information reviewed describe structural framing systems and their certified components separately from finishing accessories, reinforcing their distinct functional roles. Verification findings from both Rondo and Intex also show SCBA are purchased, stocked, invoiced and promoted as individual components and are commonly acquired by end-users on a stand-alone basis to meet immediate installation needs. This reflects their use at the plasterboard finishing stage and the absence of any technical or engineering dependency linking SCBA to wall and ceiling framing systems. While suppliers may offer both framing system components and plasterboard finishing products within their broader product ranges, the ability of suppliers to offer multiple product categories does not alter the classification of SCBA as discrete finishing items rather than components of an engineered structural system.

Consistent with this, Studco’s response to the Australian industry questionnaire also identified SCBA as individual products and did not treat them as part of a broader system offering<sup>41</sup>, which aligns with the way SCBA are presented in publicly available product catalogues and with the verification evidence obtained.

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<sup>38</sup> EPR 650, item no 9

<sup>39</sup> Available at <https://studcosystems.com.au/products/plasterboard-sections/>

<sup>40</sup> Available at <https://www.siniat.com.au/en-au/products--systems/systems/metal-framing-systems/>

<sup>41</sup> EPR 677, item no 7

Having regard to the physical characteristics, functional purpose and commercial treatment of the goods, the commission considers that the available evidence does not support classifying SCBA as integrated components of wall and ceiling framing systems. The commission is therefore satisfied that SCBA operate as a standalone product in both functional and commercial terms.

## 4 THE AUSTRALIAN INDUSTRY

### 4.1 Preliminary finding

The Commissioner is preliminarily satisfied that:

- at least one substantial process of manufacture of the like goods is carried out in Australia
- the like goods are either wholly or partly manufactured in Australia depending on the manufacturer
- there is an Australian industry consisting of five manufacturers producing like goods to the goods exported to Australia.

### 4.2 Legislative framework

The Commissioner must be satisfied that the 'like' goods are in fact produced in Australia. Sections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

### 4.3 Australian Industry

The Australian industry comprises of Rondo, Studco and Etex according to the applicant.

#### 4.3.1 Rondo

Rondo has operated in Australia for over 60 years, with factories located in New South Wales, Queensland and New Zealand. It is a private company that is a 50:50 joint venture owned by CSR Investments Pty Ltd (CSR) and Knauf Gypsum Pty Ltd (Knauf). Rondo manufactures and supplies light gauge roll formed steel wall and ceiling products to the building industry, primarily in Australia.

Rondo accounts for 100% of total production of like goods by Australian industry that expressed either support for, or opposition to, the application.

The commission is satisfied that Rondo is the largest Australian manufacturer of the goods, and accounts for more than 25% of the total production of like goods in Australia. The commission's analysis of Australian industry production volume is in **Confidential Attachment 1 – Market size and share**

#### 4.3.2 Studco

Studco is a manufacturer of commercial and residential street building systems whose products span Australia, New Zealand, North America, and Canada. Studco products are Australia made and certified, with locations in Melbourne, Sydney, Brisbane and Perth.<sup>42</sup>

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<sup>42</sup> Available at <https://studcosystems.com.au/about-us/>

The commission has used volume, sales and costs data provided by Studco in respect of its production and sale of like goods in the investigation, specifically in determining:

- Australian industry production volumes
- the size of the Australian market
- assessing the cause of injury to Rondo and Australian industry.

Studco volume, sales and costs data is in **Confidential Attachment 1 – Market size and share**

### **4.3.3 Etex**

Etex manufactures construction and building products under the brand 'Siniat' across its four manufacturing facilities in Australia. The like goods are manufactured under Etex's metal components are produced at its plant in Beenleigh, Queensland. The commission understands that Etex uses steel coils sourced from BlueScope and follows a similar production process as Rondo.<sup>43</sup>

In the absence of sales and production volumes data from Etex, the commission has estimated sales for the investigation period. The commission's estimate of Etex's sales volume and market share is outlined in chapter 5.3.

## **4.4 Production process**

During Rondo's Australian industry verification, the commission observed Rondo's production process for the like goods.<sup>44</sup> Production begins with galvanised steel coils or sheets, which are cut to length using shearing machinery or similar cutting equipment in accordance with required SCBA dimensions. The cut steel is then shaped into the required profile through roll forming, during which the steel is bent and moulded into the required shape.

The commission observed that, depending on the product type, holes or perforations may be punched along the length of the SCBA to facilitate fixing during installation. Once formed, the SCBA undergo Rondo's quality control checks before being packaged to protect the goods during storage and transport. Finished products are then distributed to Australian distributors, construction sites or other end users.

Rondo manufactures the like goods using galvanised steel, which it primarily sources from an Australian steel manufacturer, supplemented by smaller quantities of imported steel.

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<sup>43</sup> Siniat Australia by Etex. 2023. "Siniat metal roll-forming plant in Beenleigh, QLD." YouTube video, April 27, 2023. <https://www.youtube.com/watch?v=s8JgpY8eSkE>.

<sup>44</sup> EPR 677, item no 12.

## **5 AUSTRALIAN MARKET**

### **5.1 Preliminary finding**

The Australian industry and imports from China supply the vast majority of the Australian market for SCBA. A comparatively small share of the market is supplied by imports from countries other than China.

SCBA are purchased primarily by trade store distributors and by contractors engaged in residential and commercial construction. Purchasing decisions in the SCBA market are shaped by considerations of price, supply reliability and project requirements. These purchasing behaviours reflect the functional nature of SCBA as a finishing component used in plasterboard wall and ceiling applications, where cost, availability and product consistency are key factors for end users.

The commission considers that SCBA produced by the Australian industry and SCBA imported from China are substitutable goods. Both have identical end uses in plasterboard finishing applications, are supplied through the same distribution channels and viewed by purchases are interchangeable products.

### **5.2 Market structure**

#### **5.2.1 Marketing segmentation and end uses**

SCBA are distributed nationally and used across all major segments of the Australian building and construction sector, including residential housing, multi-storey apartment projects and commercial buildings. Demand for SCBA is generally linked to overall construction activity, particularly residential and commercial building, and may also be influenced by factors such as raw material costs and regional construction investment.

SCBA are used in plasterboard wall and ceiling applications as finishing sections that create clean, straight and durable edges at external corners and junctions. Their primary function is to support a consistent application of joint compound and to assist in achieving a uniform, professional finish.

#### **5.2.2 Supply and distribution arrangements**

Australian manufactured SCBA are sold either to trade store distributors or directly to product installers (contractors). Figure 1 outlines the supply and distribution arrangements:

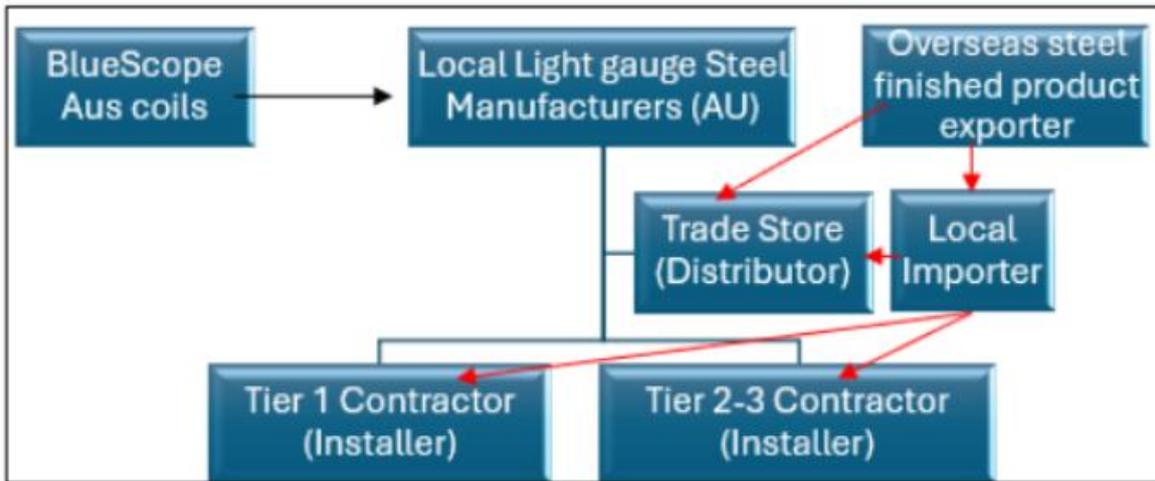


Figure 1 – Rondo’s marketing and distribution arrangements<sup>45</sup>

Rondo distributes its goods mainly via a network of independent distributors located in New South Wales, Victoria, Queensland, South Australia and Western Australia with a smaller percentage supplied directly to contractors. The commission reviewed the verified sales of Rondo and found that trade store distributors accounted for the greater share of demand than contractors.

In its application, Rondo stated that trade store distributors can source imported finished steel products either directly from overseas manufacturers or from local importers who source finished products from overseas. These local importers also supply products directly to contractors. Tier 1 contractors typically work on larger, more complex projects such as multi-level office buildings or hospitals, schools and retail buildings while tier 2 and 3 contractors are involved in medium to smaller construction projects. The commission confirmed with Intex that the channels to market are broadly similar for imports and Intex’s sales are mostly concentrated in supplying trade stores, with a smaller proportion of sales going directly to contractors.

### 5.2.3 Demand

Demand for SCBA is primarily driven by activity in the domestic residential and commercial construction sectors. SCBA are widely used in the installation and finishing of internal walls and ceilings and form part of the broader building materials supply chain. As a result, fluctuations in construction activity directly affect demand for SCBA.

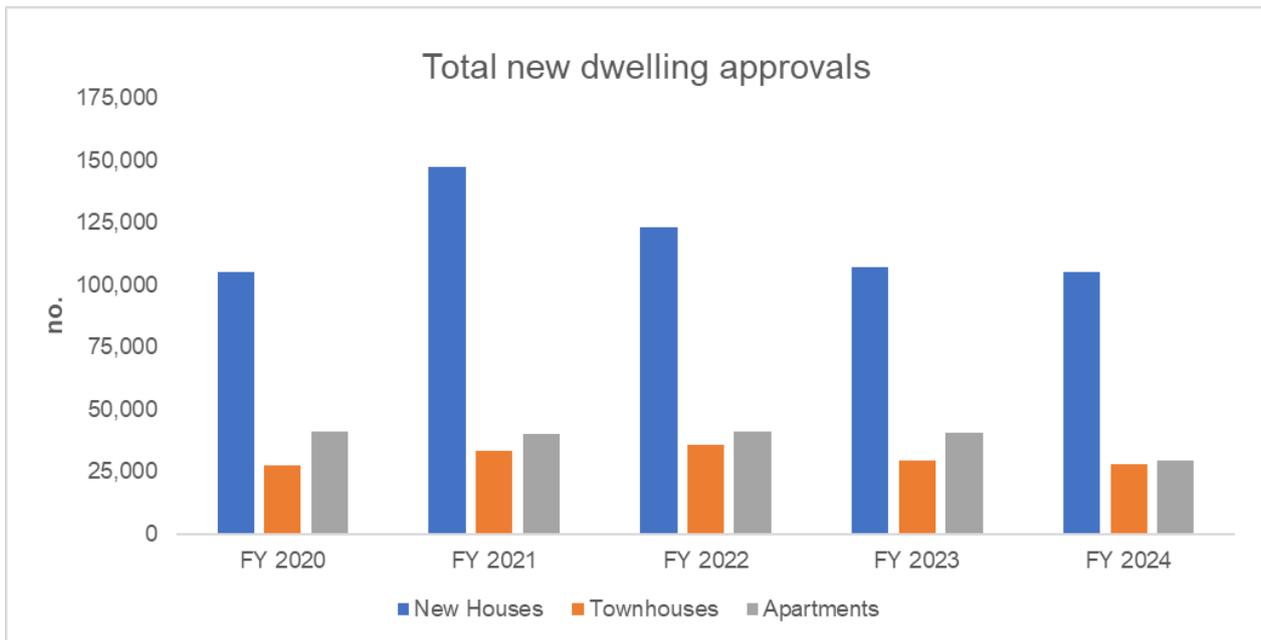
In Australia, residential and non-residential construction sectors are influenced by different economic and policy conditions; however, their shared supply chains and exposure to macroeconomic conditions mean that overall construction activity often moves in broadly correlated cycles. At a macro level, key drivers affecting construction demand include the availability and cost of credit, population growth, government stimulus measures and broader economic indicators such as business investment and labour market conditions.

<sup>45</sup> 677 – Rondo application for the publication of dumping and countervailing duty notice, p. 17.

ABS building approvals data for the injury analysis period shows divergent trends in residential and non-residential construction.<sup>46</sup> Dwelling approvals and commencements rose sharply in FY 2021, supported by record-low interest rates and the introduction of state and Commonwealth government stimulus measures, including the HomeBuilder program. This policy environment contributed to a temporary surge in detached house construction. However, approvals peaked around March 2021 and subsequently declined as government incentives tapered and supply-side constraints emerged.<sup>47</sup> Published ABS analysis of Producer Price Indexes identifies that the construction sector experienced significant input cost inflation and labour shortages over this period. These constraints generated delays and bottlenecks across both residential and commercial building activity.<sup>48</sup>

ABS commentary on building activity further notes that the COVID-19 pandemic contributed to volatile conditions in the residential sector, with disruptions to materials supply, skilled labour availability, and construction timelines. Following the FY 2021 peak, new dwelling approvals declined steadily. While approvals for detached houses stabilised between FY 2023 and FY 2024, approvals for multi-unit dwellings, including apartments, continued to fall, reducing overall dwelling approval volumes.

Figure 2 presents total new dwelling approvals from FY 2020 to FY 2024. The data show a pronounced increase in approvals in FY 2021, followed by a consistent decline over the subsequent financial years. Approvals for detached houses, townhouses and apartments all peaked in FY 2021 before trending downwards, indicating a reduction in overall residential building approvals across the remainder of the injury analysis period.



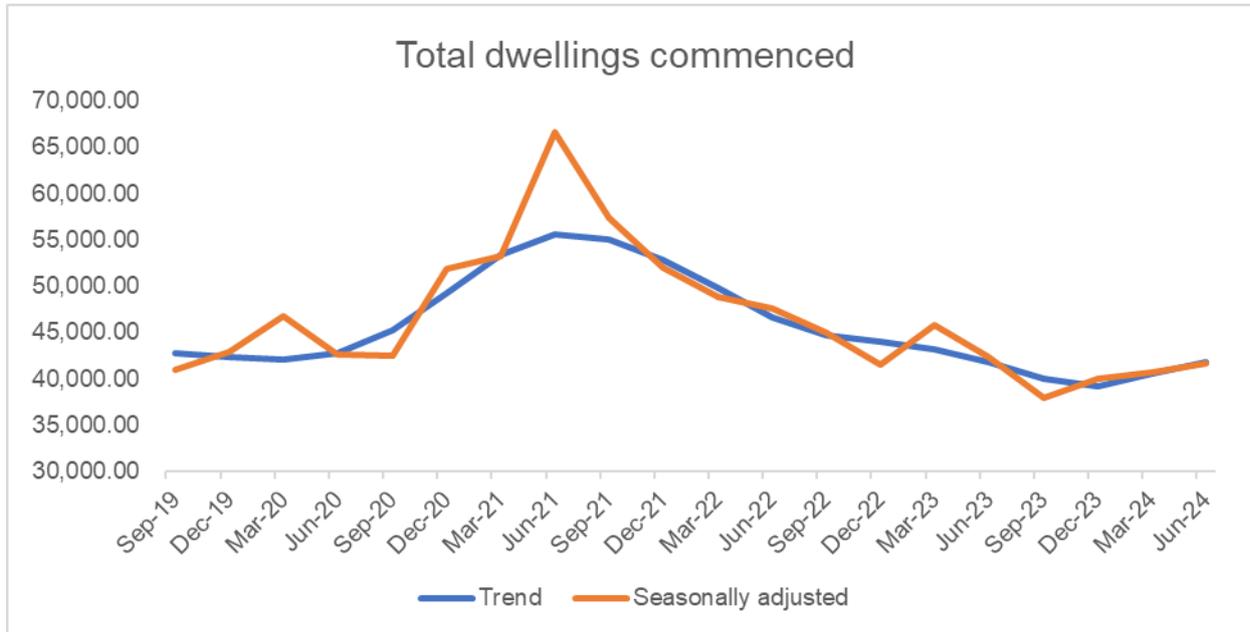
<sup>46</sup> Australian Bureau of Statistics, [Building Approvals Australia](#), Table 68 Number of non-residential building jobs approved – Australia, 30 September 2025, Table 33 Number of dwelling unit commencements by sector – Australia, 15 October 2025.

<sup>47</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>48</sup> Australian Bureau of Statistics, [Insights into output of Building construction prices](#), 2 August 2024.

**Figure 2: Total dwelling approvals in Australia from FY 2020 to FY 2024<sup>49</sup>**

Figure 3 illustrates quarterly dwelling commencements from September 2019 to June 2024. Consistent with the approvals data, commencements rose to a peak in June 2021 before declining sharply through 2022. A modest recovery is observed around March 2023, although commencement levels remain below those recorded during the FY 2021 peak. The trend and seasonally adjusted series follow broadly similar movements over the period.



**Figure 3: Total dwelling commenced (quarterly) in Australia from FY 2020 to FY 2024<sup>50</sup>**

ABS analysis of the COVID-pandemic period notes that the 2020-21 surge in approvals and commencements was followed by bottlenecks and longer completion times, alongside elevated construction costs; these conditions help explain the observed timing and volatility over the period.<sup>51</sup>

The commission considers that the trends in dwelling approvals and commencements over the injury analysis period are consistent with a contraction in overall residential construction activity, which in turn would reduce demand for SCBA.

### 5.3 Market Size

#### 5.3.1 Rondo’s estimate of market size in application

In its application, Rondo estimated the size of the Australian market for SCBA using Housing Industry Association (HIA) data on dwelling commencements together with its

<sup>49</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>50</sup> Australian Bureau of Statistics, [Building Activity, Australia](#), quarterly estimates of dwellings commenced and completed, latest release.

<sup>51</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

own information on the average quantity of SCBA used per dwelling. Rondo submitted that use of SCBA in commercial construction is comparatively limited and therefore did not include commercial construction in its estimate of market size.

Rondo calculated market shares for itself, other Australian producers and imports from China based on its internal sales data and market intelligence. To estimate the share of Chinese imports, Rondo used ABS import statistics for the tariff codes covering the goods.

For the purpose of initiation, the commission adopted Rondo’s estimate of the Australian industry’s sales but replaced Rondo’s import estimates with import volumes sourced directly from the ABF import database. The commission considered that the ABF import database provided a more detailed and product-specific account of imports and therefore improved the accuracy of the assessment. Using this approach, the commission constructed its own estimate of the size of the Australian market for SCBA for the period 1 July 2020 to 30 June 2024 (the injury period).

Figure 4 presents the commission’s estimate of the Australian market size at the time of initiating the application.

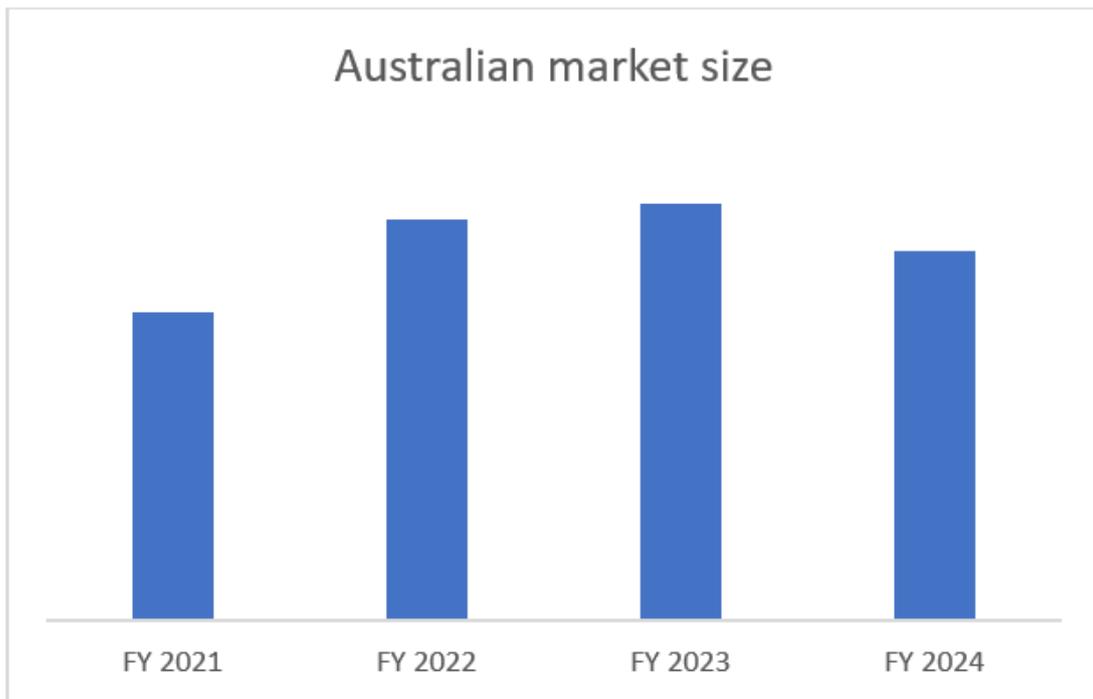


Figure 4 – Estimated Australian market size (metric tonnes)

### 5.3.2 Commission’s updated estimate of market size

As outlined in chapter 5.3.1, the commission estimated the size of the Australian market for SCBA at initiation of this investigation using import volumes derived from the ABF import database and Rondo’s estimate of Australian industry sales volumes.

Following initiation, the commission obtained additional information that enabled a more accurate assessment of market size. The commission received an Australian market questionnaire response from Studco, a key Australian producer of SCBA and an importer

questionnaire response from Intex, a cooperating importer. The commission also conducted an importer verification of Intex. This information provided data on the Australian industry's sales volumes and additional detail on imported volumes of SCBA.

Through this additional information, the commission was able to undertake a more accurate assessment of the ABF import database. The information obtained from Intex assisted the commission in identifying the goods within the tariff classifications, validating which consignments related to SCBA and filtering out those that did not. This enabled the commission to produce a more accurate estimate of import volumes than was possible at initiation.

The commission has therefore revised its market size estimate to incorporate verified data and updated methodologies. These revisions, made after the PAD, include updated estimates of Australian industry sales volumes, based on information from Rondo and Studco, verified import data from Intex and refined estimates of import volumes derived from the ABF import database.

The commission's updated estimate of the market size is outlined below.

#### Australian industry sales volume

The commission has estimated the size of the Australian industry's sales volume using verified sales data from Rondo, Studco's sales data in its Australian market questionnaire response and an updated estimate of Etex's sales volume.

As noted in chapter 2.4.4, the commission did not receive a response from Etex to the Australian market questionnaire. Accordingly, the commission relied on Rondo's market share estimates as a basis for estimating Etex's sales volume. To assess these estimates, the commission compared Studco's previously estimated sales volume (calculated using Rondo's methodology in its application) with Studco's sales volume obtained during the investigation. The commission found that Rondo's estimates were broadly consistent with Studco's sales volume, with only minor variances. As Rondo's estimates for both Studco and Etex were derived using the same underlying methodology, the commission considered it reasonable to apply the variance observed in Studco's estimated and actual sales to adjust Etex's previously estimated sales volumes.

Using the percentage difference between Studco's estimated and actual sales in each financial year, the commission uplifted Etex's estimated sales volumes to account for the observed variance. The commission then replaced the earlier Etex estimates with these adjusted figures when constructing the updated estimate of the Australian industry sales volume.

In its application, Rondo estimated the size of the SCBA using HIA housing starts data and its internal design information to calculate the average volume of SCBA used per dwelling, which formed an estimate of the total SCBA 'opportunity'. Rondo then used its own sales volume and information to estimate the market share of other Australian industry producers of like goods.

## Import volume

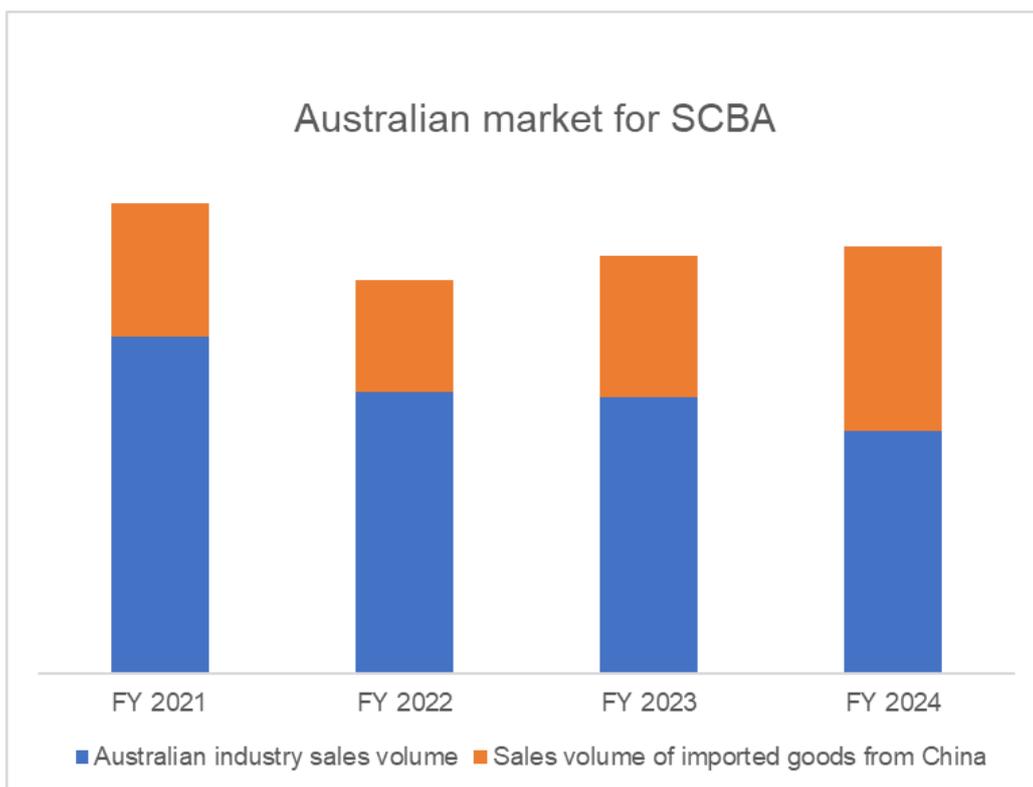
The commission estimated import volumes using a combination of Intex's verified sales data and information from the ABF import database. As outlined in chapter 5.3.1, the relevant tariff classifications and statistical subheadings in the ABF data capture a broader range of goods than those defined in the goods description. To ensure that only relevant consignments were included, the commission reviewed the ABF import data against the goods description and assessed the goods description in the data to determine whether consignments could reasonably relate to SCBA and excluded entries that were unrelated to the goods. The commission also examined unit values and removed consignments where the reported values fell outside a range within which SCBA would reasonably be expected to be imported.

As part of the importer verification of Intex, the commission examined the treatment of Intex's consignments within the ABF import database. The verification confirmed that certain consignments were imported under product codes that directly correspond to SCBA and the commission was satisfied that these consignments related to the goods. The verification also confirmed that Intex imported SCBA under broader tariff classifications that included both SCBA and non-goods. In these instances, the commission was satisfied that a portion of the consignment volumes related to SCBA. These findings formed the basis of the commission's methodology for assessing and apportioning consignments recorded under broader tariff classifications in the ABF import database.

Using this approach, the commission reviewed the ABF import database to identify import volumes for all importers. Consignments with descriptions that clearly matched the goods were included in full. For consignments recorded under broader descriptions that likely including SCBA, the commission applied the ratio developed from Intex's verified data to estimate the likely SCBA component. The commission recognises that other importers may have different product mixes compared to Intex. However, in the absence of verified information from other importers, the commission considers this methodology reasonable for the purpose of estimating import volumes given the breadth of the ABF goods descriptions.

The commission also received data from ABC Depot in its RIQ. The commission examined the data and found several discrepancies between the data reported in ABC Depot's RIQ and the ABF import database. In many cases the commission was unable to match the reported consignments to the ABF data, and it also noted that the reported shipment expenses were materially higher than those verified for Intex. As a result, the commission considers the ABC Depot import data unreliable for the purpose of estimating import volumes.

The commission's updated estimate of the Australian market size, incorporating the revised import volume estimates, is shown in Figure 5. The commission's estimate of the size of the Australian market for SCBA is at **Confidential Attachment 1 – Market size and share**.



**Figure 5: The commission’s updated Australian market size for SCBA (tonnes)**

Figure 5 shows that the Australian market for SCBA peaked in FY 2021, declined in FY 2022 and then partially recovered in FY2023 and FY 2024, although it did not return to the FY 2021 level. Over the injury analysis period, Australian industry sales volumes decreased, while sales volumes of imported goods from China increased. This resulted in a shift in the composition of the market, with Chinese imports representing a larger share of total sales by FY 2024.

Figure 5 shows that this movement in the SCBA market is broadly in line with the pattern of dwelling commencements and residential building activity outlined in chapter 5.2.3. Figure 3 shows that dwelling commencements rose to a peak around June 2021 and then declined materially through 2022, followed by a modest recovery around March 2023 and subsequent stabilisation into 2024. The movement in the overall SCBA market after FY 2021 shown in Figure 5 is consistent with this trend in residential construction activity. The increase in Chinese import volumes over this period indicates that imports accounted for a larger share of the SCBA market even as residential building activity softened.

## 6 DUMPING INVESTIGATION

### 6.1 Preliminary finding

The Commissioner has preliminarily found that the goods exported to Australia from China in the investigation period have been dumped and that the dumping margins and volume of dumped goods is not negligible.

The commission's assessment of dumping margins is set out in Table 9.

Exporter	Dumping margin before application of lesser duty rule
Uncooperative and all other exporters	52.5%

Table 9: Dumping margin

### 6.2 Legislative framework

Dumping occurs when goods from one country are exported to another country at a price that is less than the normal value of those goods. The export price and normal value of goods are determined under sections 269TAB and 269TAC, respectively.

In the report to the Minister under section 269TEA(1), the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG.

Under section 269TG, one of the matters the Minister must be satisfied of to publish a dumping duty notice is that exporters exported dumped goods to Australia.

Section 269TDA(1) requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Section 269TDA(3) requires that the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been, or may be, dumped is 'negligible' (i.e. less than 3% of the total Australian import volume).

#### 6.2.1 Export price

Export price is determined in accordance with section 269TAB.

Section 269TAB(1)(a) provides that the export price of any goods exported to Australia is the price paid (or payable) for the goods by the importer where the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter in 'arms length' transactions.<sup>52</sup>

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<sup>52</sup> Whether the purchase or sale of goods are 'arms length' transactions is determined in accordance with section 269TAA.

Section 269TAB(1)(b) provides that the export price of goods is the price that the importer sold the goods, less the prescribed deductions, where:

- goods have been exported to Australia otherwise than by the importer, and
- were purchased by the importer from the exporter, but not at arm's length, and
- the importer subsequently sells the goods in the condition they were imported to a party not associated with the importer.

Section 269TAB(1)(c) provides that in all other cases, the export price is a price determined by the Minister having regard to all the circumstances of the exportation.

Section 269TAB(3) provides that, where the export price cannot be established under the preceding sections due to sufficient information not being furnished or not available, the export price is determined having regard to all relevant information.

### **6.2.2 Normal value**

Normal value is determined in accordance with section 269TAC.

Section 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid (or payable) for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

If one of the circumstances set out in sections 269TAC(2)(a) or (b) is present, such as where there is an absence or low volume of relevant sales of like goods in the market of the country of export, or there is a particular market situation, section 269TAC(1) may not be used. In this instance, the normal value of the goods is to be calculated through either a constructed normal value under section 269TAC(2)(c) or using prices of like goods exported to a third country under section 269TAC(2)(d).

Relevant to this investigation, section 269TAC(6) of the Act provides that, where the normal value cannot be established under the preceding provisions, due to sufficient information not being furnished or not being available, the normal value is determined having regard to all relevant information. As no exporters cooperated with the investigation, the commission applied this provision in calculating the normal value. However, it is noted that Rondo claimed in its application that a particular market situation (PMS) exists in the Chinese market such that section 269TAC(1) of the Act cannot be used. The commission had regard to Rondo's claims to the extent that it was relevant information to determining the normal value under section 269TAC(6) of the Act.

### **6.2.3 Dumping margin**

Dumping margins are determined under section 269TACB.

For the dumping margin in this investigation, the commission compared the weighted average Australian export prices with the corresponding quarterly weighted average normal values for the investigation period in accordance with section 269TACB(2)(a) of the Act.

## 6.3 Exporters

Section 269T(1) provides that, in relation to a dumping investigation, an exporter is a 'cooperative exporter' if the exporter's exports were examined as part of the investigation and the exporter was not an 'uncooperative exporter'.

At the commencement of the investigation, the commission contacted a number of entities it had identified as possible exporters of the goods, based on information in the ABF import database and from Rondo's application, and invited them to complete an exporter questionnaire. The commission further published a copy of the questionnaire on its website for other exporters to complete.

The commission requested exporters respond to an exporter questionnaire by 7 July 2025. No responses were received by the due date, nor were any requests for an extension submitted. As such, under subsections 8(b) and 9(b) of the Customs Direction, all exporters who did not provide a response or request additional time within the legislated period are treated as uncooperative exporters under subsection 269T(1), and as non-cooperative entities under section 269TAACA.

## 6.4 Dumping assessment

### 6.4.1 Uncooperative and all other exporters

The commission has determined that all exporters of the goods from China are uncooperative exporters for the purposes of this investigation.

The commission used the ABF import database to identify exporters that had exported the goods to Australia from China prior to and during the investigation period. As no such exporters provided a response to the exporter questionnaire, the Commissioner has deemed all exporters to be uncooperative.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. Export prices are to be worked out under section 269TAB(3) and normal values are to be calculated under section 269TAC(6).

#### Export price

The commission has determined an export price pursuant to section 269TAB(3), having regard to all relevant information. The commission considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Intex's verified data.

The commission conducted an onsite verification of Intex's RIQ and the importer verification report is available on the EPR.<sup>53</sup> In the absence of exporter questionnaire responses, the commission relied on information provided by Intex in its RIQ, which the commission has verified as complete, accurate and relevant for the purposes of this investigation.

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<sup>53</sup> EPR 677, item no 16.

Accordingly, the commission has determined the export price of the goods exported to Australia from China under section 269TAB(3), based on Intex's selling price to Australian customers, less relevant deductions. These deductions include Intex's post-exportation expenses, selling, general and administrative expenses (SG&A) and an amount of profit. After making these adjustments, the commission determined a FOB export price. The commission's calculations of the export price are at **Confidential Attachment 2 – Export price calculation**.

### Normal value

As outlined in chapter 2.4.4, no exporters of the goods during the investigation period submitted a REQ. The commission further notes that the GOC did not provide a response to the government questionnaire.

The commission notes that Aoshi and Jinkai submitted a REQ as part of the investigation. As outlined in Chapter 2.4.4, the commission considers that Aoshi did not export the goods during the investigation period. As a result, the commission did not verify the information submitted in Aoshi and Jinkai's REQ.

Given the absence of sufficient information regarding domestic selling prices and domestic production costs in China and the unavailability of reliable Chinese export prices to third countries, the normal value has been determined under section 269TAC(6), having regard to all relevant information. In accordance with section 269TAC(6), a constructed normal value methodology has been applied to determine:

- the cost of production or manufacture of the exported good
- the selling, general and administrative (SG&A) costs and
- an amount of profit.

To calculate the constructed normal value the commission has used:

- average monthly galvanized steel coil prices from Korea and Taiwan
- the conversion costs, including slitting costs of Rondo, adjusted for Chinese labour costs
- an average of the cooperating Chinese exporters SG&A costs from investigation 644 and continuation inquiry 646
- an amount of profit based on the average rate of profit of cooperating Chinese exporters in investigation 644 and continuation inquiry 646.<sup>54</sup>

The commission's assessment of each of these elements of the constructed normal value are detailed separately below.

The commission did consider the relevance of the information submitted in the REQ from Aoshi and Jinkai to its assessment under section 269TAC(6). However, as discussed in the following section, the commission considers that the production of the goods in China is subject to material GOC influence in the steel sector, which affects the reliability of

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<sup>54</sup> The goods in Investigation 644 were interchangeable bolted clipping system brackets from China and in continuation 646 the goods were deep drawn stainless steel sinks from China. The commission considers that the costs and profit from these cases are relevant given that they also relate to producers in China who convert an intermediary steel product into an end product.

domestic cost structures. As a result, the commission considers that the unverified information provided in the REQs provided by Aoshi and Jinkai cannot be relied upon for the purposes of determining the normal value.

### Cost of production or manufacture of the exported goods

The cost of production has two key cost elements: raw material costs and conversion costs. The primary raw material used in the manufacture of the goods is coated steel which is typically sourced in coil or sheets. The raw material is converted into the finished goods through cutting, forming the required profile, and then punching or drilling any necessary holes or slots.<sup>55</sup> In determining the cost of production, the commission has considered these costs separately below. The commission has also considered Rondo's claims of a PMS in China for the subject goods.

### Rondo's claims

Rondo in its application stated that it did not have access to domestic selling price information for the goods in China. Rondo claimed that a PMS existed for the subject goods which are manufactured from coated steel.<sup>56</sup>

In support of its PMS claim, Rondo referenced the commission's findings in REP 611<sup>57</sup> where the commission was satisfied that because of the situation in the domestic market for the goods in China, sales in the Chinese market were not suitable for determining a normal value. This was on the basis that those prices would not permit a proper comparison with the export price for the purposes of determining the dumping margin.

To evidence the continued existence of the GOC's interventions, Rondo referenced:

- A 2022 study published by the Centre for Strategic and International Studies (CSIS) which identified significant GOC support for Chinese domestic industry under China's industrial policy
- A 2022 article published by the Australian Strategic Policy Institute (ASPI) referencing state owned enterprises in China and subsidies extended to the Chinese private sector
- A 2024 article by the ASPI referring to continuing excess production capacity in China
- A 2024 article published by Platts/S&P Global identifying GOC stimulus policies to aid the Chinese manufacturing sector
- A 2024 article published by the Turkish Steel Producers Association concerning China's continuing focus on export markets with subsidised prices
- The Office of the United States Trade Representative (USTR) 2023 report to congress on China's WTO compliance
- The European Commission's 2024 staff working document on distortions in the Chinese economy for the purposes of trade defence investigations.

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<sup>55</sup> EPR 677, item no.1.

<sup>56</sup> EPR 677, item no 1.

<sup>57</sup> EPR 611, Report 611 (REP 611), *Inquiry concerning the continuation of anti-dumping measures applying to zinc coated (galvanised) steel exported to Australia from China, Republic of Korea and Taiwan*, EPR 611, item no 12.

To further support its claim, Rondo provided a price comparison for galvanised steel between China, Korea and Taiwan over the 2023 calendar year. The confidential data provided by Rondo demonstrated that Chinese galvanised steel prices were substantially below both Taiwanese and Korean prices during 2023.

### Commission's assessment

For the purpose of constructing the normal value under section 269TAC(6), the commission has drawn on available information including previous analysis regarding the existence of PMS in previous inquiries and the information submitted by Rondo in support of its PMS claim.

The following findings and conclusions are made in the absence of the GOC's questionnaire response or exporter questionnaire responses. The commission sought a variety of information and evidence from the GOC, including information on GOC involvement and policies in the steel market generally and the steel industry in particular, the operation of price signals in these sectors and GOC measures that may or may not be affecting these sectors. The GOC did not cooperate with this request for information.

The GOC's non-cooperation and exporters non-cooperation in this regard limits the evidence available to the commission and constrains the commission's ability to verify whether prices of SCBA in China are market determined and reflect prices at a competitive fair market value. In the absence of this information, the commission has had regard to previous findings in other relevant cases.<sup>58</sup> The commission also has had regard to the evidence and preliminary findings in Statement of Essential Facts 658 (SEF 658), which examined the Chinese domestic market for HRC during an overlapping period with this investigation.<sup>59</sup>

In these previous inquiries and more recent analysis undertaken in SEF 658 during an overlapping period, the commission found a PMS existed in the Chinese domestic market for hot rolled coil (HRC) and zinc coated (galvanised) steel.<sup>60</sup> The commission further considered whether prices in these inquiries would permit comparison with the export prices for the purposes of determining the dumping margin. The commission found that, pursuant to section 269TAC(2)(a)(ii), because of the situation in the domestic market for these goods in China, sales in those markets were not suitable for use in determining a normal value under section 269TAC(1).

Specifically, the commission found that the cooperating exporters' records in these cases were kept in accordance with the relevant generally accepted accounting practices (GAAP) and that the records reasonably reflected the costs with the production and sale

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<sup>58</sup> Refer to REP 611 (section 6.4 and Appendices A and B) and REP 590 (section 7.5 and Appendices A and B).

<sup>59</sup> The commission considers the preliminary findings in SEF 658 relevant for this investigation as it preliminarily identified that the Chinese HRC and steel industry continued to exhibit broad, industry wide distortion. These distortions were found to depress steel prices and affect steel price formation more generally, as further outlined in chapter 6.4.1. Where the commission has reason to reassess the evidentiary basis and/or its findings in SEF 658 such as if provided with other or contrary evidence in submissions made in response to SEF 658 or SEF 677, the commission will assess that information in making its final recommendation in Report 677.

<sup>60</sup> See also Review 521 (section 4.3 and Non-Confidential Appendix A) and SEF 658 (section 6.4 and Appendices A and B).

of the goods. However, the commission was not satisfied that these cooperating exporters costs reasonably reflected competitive market costs associated with the production of like goods, due to the influence of the GOC in the domestic Chinese market for HRC, the primary raw material used to manufacture is zinc coated (galvanised) steel.<sup>61</sup> Specifically, the commission found that HRC costs in China, which make up a major proportion of the total costs of production of the subject goods were distorted by GOC influence.<sup>62</sup>

The commission also found that the GOC's involvement and influence over the steel industry to be a primary cause of the prevailing structural imbalances within both the broader steel industry and the HRC and galvanised steel markets.<sup>63</sup> The commission considered that the GOC's historic and continued involvement in the Chinese steel industry, through its policies, planning guidelines, plans and directives materially contributed to its steel industry's overcapacity, over supply and distorted structure during the applicable investigation periods. The conditions created by the GOC significantly affected the dynamics and price setting in the Chinese domestic market. These findings related to the Chinese steel market as a whole, including both upstream and downstream steel products.<sup>64</sup> Contemporary information outlined in SEF 658 also shows sustained oversupply and excess capacity and the reduced profit and profitability among Chinese steelmakers since 2021.<sup>65</sup> Moreover, based on the available evidence in REP 611 and SEF 658, the selling prices of firms sustaining ongoing operational losses have affected the steel market as a whole, particularly given the extent of state-owned enterprise (SOE) and state-invested enterprise (SIE) involvement in steel production.<sup>66</sup>

The commission also found that in REP 611, both SOEs and private enterprises operating in the Chinese steel market often make decisions based on GOC policy goals and incentives as opposed to properly functioning price signals and the objective or motive to maximise profit.<sup>67</sup> Further, the GOC's support mechanisms have insulated recipient firms from ordinary price and profit signals, which has significantly contributed to the excessive investment in production capacity, excess steel production and ongoing loss-making. This results in a steel market where firms, particularly SOEs, make unprofitable sales because of overcapacity in the industry and collectively place downward pressure on prices in the market that lead to prices that are below the cost of production.<sup>68</sup>

The commission notes that many of the GOC's recent plans are aimed at reducing capacity as well as addressing carbon emissions through reduction or closing of blast furnace-basic oxygen furnace (BF-BOF) plants and replacing them with electric arc furnace (EAF) plants. However, there appears to be limited success in reducing capacity. The GOC has also recognised this contradiction, with all new steelmaking production

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<sup>61</sup> Refer to the commission's preliminary findings in SEF 658.

<sup>62</sup> Refer to chapter 9.7.6 of this report. The commission found that the raw material input (galvanised steel) constituted the largest component of Rondo's manufacturing costs for SCBA, accounting for 77 per cent of total variable costs.

<sup>63</sup> REP 611, Non-Confidential Appendix B, section B4.9 and SEF 658, Non-Confidential Appendix A.6.

<sup>64</sup> REP 611, Non-Confidential Appendix B, section B4.10.

<sup>65</sup> SEF 658, Non-Confidential Appendix A, section A.6.2.

<sup>66</sup> REP 611, Non-Confidential Appendix B, section B4.3 and B4.5 and SEF 658, Non-Confidential Appendix, A.6.4.4.1.

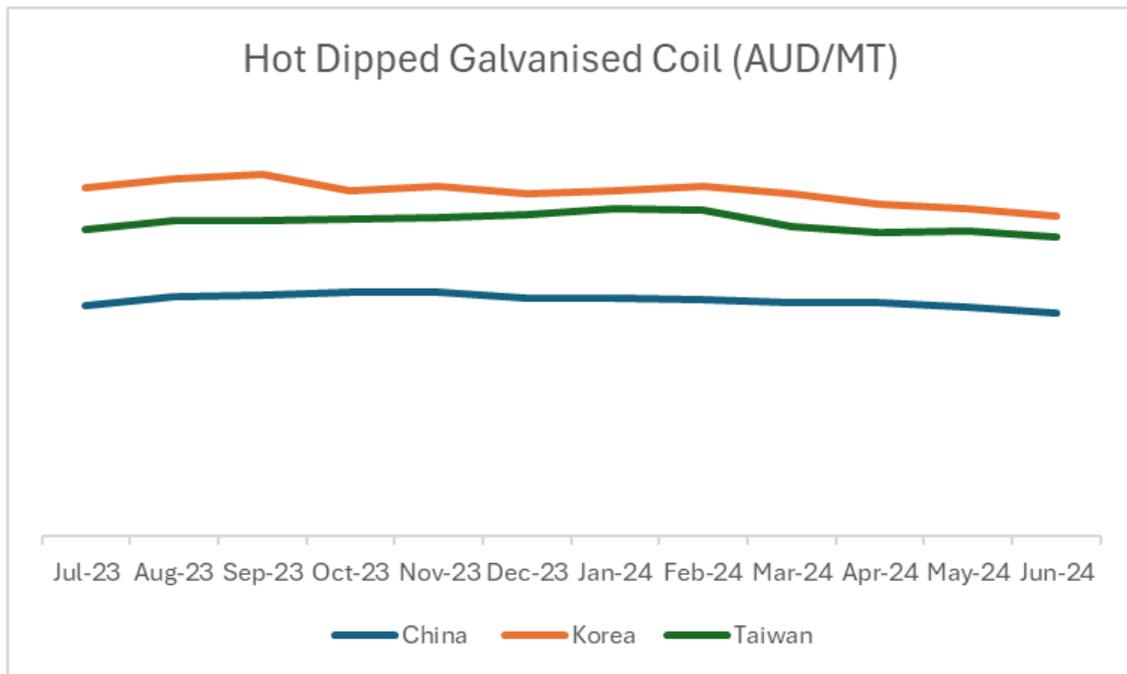
<sup>67</sup> REP 611, Non-Confidential Appendix B, section B4.4 and B4.10.

<sup>68</sup> REP 611, Non-Confidential Appendix B, section B4.5.

projects suspended in August 2024 to provide the GOC with time to review its policies aimed at reducing overcapacity.<sup>69</sup>

The commission has found in previous enquiries<sup>70</sup> and preliminary findings in SEF 658 that the price of galvanised steel and other hot rolled steel products such as HRC was influenced by the GOC. Direct intervention by the GOC in the form of imposition of taxes, tariffs, export quotas, direct and indirect financial support and other indirect measures including the GOC’s overarching macroeconomic policies and plans, such as the National Steel Policy, the Steel Industry Adjustment and Upgrade Plan and the GOC’s Five Year Plans have influenced and impacted the structure of the Chinese steel industry.<sup>71</sup> In addition, interventions in iron ore procurement, coal production and pricing, export duties on steel scrap and electricity tariff setting affected input costs across the sector.<sup>72</sup>

The commission notes that the goods in REP 611 (zinc coated (galvanised) steel), being a coil steel product, are the key raw material used in the production of the goods the subject of this investigation. Using available information sources relevant to this investigation, the commission identified a range of galvanised steel coil monthly prices for the investigation period.<sup>73</sup> Adopting the countries compared in REP 611, the commission compared the monthly galvanised steel prices for China, Taiwan and Korea for the investigation period. From this dataset the commission observed that China’s prices were below those of Korea and Taiwan as shown in Figure 6.



**Figure 6: Hot Dipped Galvanised Coil prices**

<sup>69</sup> SEF 658, Non-Confidential Appendix A, section A.6.2.3.

<sup>70</sup> Refer to REP 611 and REP 590.

<sup>71</sup> REP 590, Non-Confidential Appendix A, section A4.4 and REP 611, Non-Confidential Appendix B4.4.

<sup>72</sup> SEF 658, Non-Confidential Appendix A, section A.6.6.4.

<sup>73</sup> The commission obtained confidential data from MEPS International Ltd.

The commission's assessment of these prices is at **Confidential Attachment 3 – Galvanised steel prices.**

Noting the limited information available due to the lack of cooperation, the commission considers that this price analysis is indicative of the conditions observed in prior inquiries continue to exist in the current investigation period.

The lack of cooperation from Chinese exporters or the GOC in this investigation has limited the commission's ability to obtain relevant information, including Chinese domestic pricing for the goods in the Chinese domestic market. However, available information demonstrates that Chinese prices for the primary raw material used to manufacture SCBA continues to be subject to similar circumstances that supported the PMS findings in REP 611 and preliminary findings in SEF 658. Given these continuing and prevailing market conditions in China, the commission considers that a price reflecting competitive market prices for galvanised steel should be based on a price that is absent any GOC distortion or influence on the steel market and steel industry in China.

The commission considered using a price based on prices of galvanised steel sold in China. However, as noted previously, the commission considers that the GOC's numerous influences on the Chinese steel industry has materially distorted the entire HRC and galvanised steel market and therefore distorted all prices of those goods, regardless of whether the goods are manufactured by SIEs and SOEs or private enterprises in China. The commission further examined whether import prices of galvanised steel into China could be used. However, absent information concerning import volume penetration into the Chinese market, the commission is unable to adequately assess whether any import prices would reflect prices absent the GOC's distortions or influence.

The commission considers that normal competitive market conditions, absent the GOC's distortions or influence, prevail in the Korean and Taiwanese domestic markets for galvanised steel, and that purchases of galvanised steel in these markets are not influenced by prices in China. The commission therefore considers that purchases of galvanised steel in these markets are suitable. This is consistent with the countries identified in REP 611. Consequently, the commission has worked out the amount for the primary raw material costs for SCBA by using a galvanised steel coil price based on monthly average prices for Korea and Taiwan.

The commission considers these prices are appropriate to use as available information and evidence does not support the making of adjustments to these Korean and Taiwanese prices. The commission examined the websites of major Chinese manufacturers of the goods.<sup>74</sup> Information available to the commission indicates that manufacturers of the goods in China are not fully integrated producers producing both the galvanised coil and the goods. These manufacturer's product catalogues, promotional videos and photos of their facilities, and descriptions of their production capabilities

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<sup>74</sup> The commission examined these websites: [Langfang Hopestar Building Material Co., Ltd.](#), [Wenan Jinkai Building Material Co., Ltd.](#), [Shandong Haisu Building Materials Co., Ltd.](#), [Hangzhou Youyuan Imp. & Exp. Co., Ltd.](#), and [Taishan Gypsum Co., Ltd.](#)

provide no indication they produce their own galvanised coil, rather they cut, bend, roll and shape steel coils they purchase to the required specifications.

As a consequence, the commission considers using Korean and Taiwanese prices is appropriate as manufacturers of the goods in China would be required to purchase the coated steel used to manufacture the goods. The commission has not identified in available information evidence of a need for or a method for making any other adjustments to these prices.

### Conversion Costs

As outlined in chapter 2.4.4, Aoshi and Jinkai submitted REQs; however, the commission considers that Aoshi did not export the goods during the investigation period. Therefore, the commission did not verify the information submitted by Aoshi and Jinkai. In addition, as discussed earlier, the commission considers that the production of the goods in China is subject to material GOC influence affecting the reliability of domestic cost structures. As a result, the commission does not have verified or reliable information on conversion costs in China for the purpose of determining normal value.

The commission examined the available information, including information contained in Rondo's application and information available in other inquiries conducted by the commission. As part of its application, Rondo estimated the conversion costs of Chinese manufacturers by using its own conversion costs, adjusted downwards for Chinese labour costs. Examination of prior inquiries by the commission did not identify any conversion costs that were sufficiently alike to the manufacture of the SCBA which would be suitable to use; however, the commission notes that *Anti-Dumping Commission Report 653* (REP 653) involved a similar product and applied a comparable conversion-cost methodology to that adopted in this investigation.<sup>75</sup>

In the absence of further or better information, the commission has used the conversion costs of Rondo, after a downwards adjustment for labour costs, in calculating the constructed normal value.<sup>76</sup>

### SG&A costs

In the absence of verified and reliable SG&A information from Chinese exporters in this investigation, the commission considered other available information to determine appropriate SG&A costs.

The commission has used the average of the cooperating Chinese exporter's SG&A costs from investigation 644 and continuation inquiry 646. The commission considers that these

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<sup>75</sup> REP 653 concerned ceiling steel framing members (CSFM) manufactured by the same Australian producer (Rondo) participating in SEF 677. Industry verifications in REP 653 and SEF 677 suggested that the manufacturing processes for CSFM and SCBA are sufficiently comparable. In the absence of cooperating Chinese exporters, the commission considers it reasonable to apply Rondo's verified conversion costs, consistent with the approach adopted in REP 653.

<sup>76</sup> The conversion costs provided by Rondo in its application were updated to reflect changes made to Rondo's conversion costs.

costs are relevant given that they relate to producers in China who convert an intermediary steel product into an end product.

The commission also considers that the SG&A costs used by Rondo in its application, for the purpose of calculating its estimated dumping margin, are not preferable given that they relate to selling, distribution, administration and finance costs incurred in Australia.

### Profit

In the absence of verified and reliable profit information from Chinese exporters in this investigation, the commission has used the average profit of the cooperating exporters from investigation 644 and continuation inquiry 646. The commission considers that these profit rates are relevant as they relate to producers in China that convert an intermediary steel product into an end product, which is broadly similar to the activities undertaken by SCBA producers in China.

In its application, Rondo used a profit derived from the European Parliament's *Provisional Agreement Resulting from Interinstitutional Negotiations*, which mandates a profit of no less than 6% to estimate dumping.<sup>77</sup> The commission considers that the profit used by Rondo in its application is not preferable, noting that it relates to a minimum European Union regulatory profit and is not specific to manufacturing in China.

### Dumping margin

The dumping margin for uncooperative and all other exporters from China was established in accordance with section 269TACB(2)(a). The commission has compared the weighted average export price and weighted average normal value.

The dumping margin for uncooperative and all other exporters of SCBA from China is 52.5%.

Details of the dumping margin calculations for all exporters from China are at **Confidential Attachment 4 – Dumping margin.**

## **6.5 Level of dumping**

Section 269TDA(1) provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that:

- there has been no dumping by the exporter of any of those goods
- there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter is less than 2%.

As detailed in this chapter, the commission is satisfied that all exports of the goods from China to Australia were at dumped prices during the investigation period and the dumping margin for all Chinese exporters of the goods is more than 2%.

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<sup>77</sup> EPR 677, item no 1.

## 6.6 Volume of dumped imports

Pursuant to section 269TDA(3), the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been or may be dumped is a negligible volume. Section 269TDA(4) defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period. Section 269TDA(5) states that if the volume of all countries with dumped volumes of less than 3% sum up to more than 7%, then the aggregation of the volumes of dumped goods is not negligible.

Using the ABF import database and having regard to the information collected and verified during the investigation, the commission determined the volume of imports in the Australian market. Based on this information, the commission:

- has determined that section 269TDA(5) does not apply to this investigation
- is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of goods that have been exported from China and dumped was 3% or greater of the total import volume
- has determined that the volume of dumped goods is not negligible.

The commission's volume calculations are at **Confidential Attachment 1 – Market size and share**.

## 7 SUBSIDY INVESTIGATION

### 7.1 Preliminary finding

The Commissioner has preliminarily found that countervailable subsidies were received in respect of the goods exported to Australia from China during the period of investigation.

As the commission did not receive any information from the GOC, nor information from Chinese exporters of SCBA<sup>78</sup>, the commission undertook an assessment of the subsidy programs identified in REP 611 and relied on findings from recently completed investigation 644 (INV 644) and investigation 645 (INV 645) to determine if the subsidy programs alleged by the Australian industry in its application may be applicable to the production, manufacture or export of SCBA from China. The commission also assessed publicly available information to consider whether the subsidy programs identified in REP 611 are still active and therefore continued to apply to the goods.

The preliminary subsidy margin in respect of the goods exported to Australia from China during the investigation period is summarised in Table 10.

Exporter	Subsidy margin
Uncooperative and all other exporters	4.5%

Table 10: Subsidy margin

### 7.2 Legislative framework

Under section 269TJ, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible).

Subsidisation occurs when a financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to goods exported to Australia.<sup>79</sup> The amount of a countervailable subsidy is determined in accordance with section 269TACD.

Section 269TAACA provides that where certain entities have not provided the requested information within a reasonable period of time or have significantly impeded the investigation, the determination may be made 'on the basis of all the facts available' and 'such assumptions as considered reasonable'.

### 7.3 Consultation with the Government of China

On 16 May 2025, in accordance with section 269TB(2C) of the Act, the commission invited the GOC for consultations during the pre-initiation phase. The purpose of the consultations was to provide an opportunity for the GOC to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian

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<sup>78</sup> Further detail on the commission's assessment of exporters is provided in Chapters 2.4.4 and 6.4.1.

<sup>79</sup> Section 269T(1).

industry, with the aim of arriving at a mutually agreed solution. The commission did not receive a response from the GOC.

On 30 May 2025, at initiation, the commission sent a questionnaire to the GOC to complete. The questionnaire included questions relating to the Australian industry's claims concerning subsidisation and an alleged PMS, including questions relating to the Chinese steel industry and market. The commission did not receive a response to this questionnaire.

## **7.4 Subsidy programs**

### **7.4.1 The applicant's claims**

In its application, Rondo claimed that the commission's previous findings of countervailable subsidy programs from *Anti-Dumping Commission Report No 611* (REP 611) into coated (galvanised) steel from China, Korea, and Taiwan and *Anti-Dumping Commission Report No 590* (REP 590) into hollow structural sections from China, Korea, Malaysia and Taiwan also apply to SCBA exported from China.

Rondo claimed that producers of SCBA from China are likely to be in receipt of the same or similar benefits. As the exported goods are products of the Chinese steel industry and the commission has previously concluded that goods manufactured from galvanised steel attract a broad range of subsidies, the Australian industry considered it reasonable to conclude that previously identified subsidy programs are applicable to Chinese exporters of the goods.

Rondo submitted that these confirmed countervailable subsidies in the Chinese steel industry will equally apply to Chinese exporters of SCBA. Specifically in regard to the provision of HRC, coking coal, and coke at less than fair market value (CON 611) and HRC provided at less than adequate remuneration (CON 590), Rondo submitted that a finding by the commission of galvanised steel provided at less than fair market value or less than adequate remuneration is a logical extension of the findings in CON 590 and 611 (as upstream products to SCBA).<sup>80</sup>

### **7.4.2 Determination of countervailable subsidy if non-cooperation by relevant entities**

Section 269TAACA(1) provides that, in circumstances where an entity, referred to as a 'non-cooperative entity':

- has not given the Commissioner information the Commissioner considers to be relevant to the investigation within a period the Commissioner considers to be reasonable, or
- has significantly impeded the investigation,

then, in determining whether a countervailable subsidy has been received in respect of the goods, or in determining the amount of a countervailable subsidy in respect of the goods, the Commissioner or the Minister may act on the basis of all the facts available

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<sup>80</sup> EPR 677, item no 1, pp. 43 and 62.

and may make such assumptions as the Commissioner or Minister (as the case may be) considers reasonable.

The commission sent the GOC a questionnaire requesting information relating to the subsidy programs identified by Rondo in its application. Because the GOC has not provided any information the Commissioner considers relevant to the investigation, in determining whether a 'countervailable subsidy' has been received in respect of the goods, the commission has relied on all facts available and made such assumptions as the Commissioner considers reasonable.

Accordingly, the commission has determined whether a countervailable subsidy has been received in respect of the goods, and the amount of the countervailable subsidy, in accordance with section 269TAACA(1).

#### **7.4.3 Information considered by the commission**

The commission has had regard to the following information as part of its assessment of the subsidies received in respect of the goods exported from China:<sup>81</sup>

- information provided by Rondo in its application
- findings from Investigation 644 (REP 644) relating to certain interchangeable bolted clipping system brackets (brackets) from China
- findings from Investigation 645 (REP 645) relating to certain interchangeable bolted clipping system clip heads (clip heads) from China
- findings from Continuation inquiry 611 relating to certain zinc coated (galvanised) steel from China

#### **7.4.4 Findings of countervailable subsidy in REP 644 and REP 645**

The commission has recently completed investigations into brackets (REP 644) and clips (REP 645) exported to Australia from China. In those investigations, the applicant, Abey Australia Pty Ltd, alleged that the countervailable subsidy programs listed in its application and identified in REP 590<sup>82</sup> were considered to apply equally to producers of brackets and clips. This was because brackets and clips are made using galvanised HRC, and as HRC is also used in the manufacture of hollow structural sections (HSS), 'it is therefore reasonable... to conclude that subsidy programs that benefit Chinese manufacturers of HSS would also benefit Chinese manufacturers of interchangeable brackets<sup>83</sup> [...and clips]'.<sup>84</sup>

In REP 644 and REP 645, the commission found no evidence that any exporters of the goods the subject of those investigations received any of the subsidies identified by the

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<sup>81</sup> The commission also had regard to Rondo's submission dated 14 January 2026 concerning subsidies, including its comments on the preliminary findings in SEF 658. For this assessment, the commission considers the findings in REP 611, REP 644 and REP 645 to be more relevant.

<sup>82</sup> REP 590 concerns a continuation inquiry into HSS exported to Australia from China.

<sup>83</sup> EPR 644, item no 1, p 50.

<sup>84</sup> EPR 645, item no 1, p 50.

applicant in its application, other than subsidies under ‘Program 20<sup>85</sup> - hot rolled steel provided by government at less than fair market value’.<sup>86</sup>

Relevance to INV 677

In this current investigation, Rondo has claimed that the commission’s previous findings of countervailable subsidy programs from REP 590 also apply to SCBA exported from China.

The commission has considered these claims in light of the recent findings from REP 644 and REP 645 and finds it reasonable to conclude that with the exception of Program 20 (hot rolled steel provided by government at less than fair market value), the subsidy programs from REP 590 would also not apply to exporters of SCBA. The commission’s assessment of Program 20 is at Non-Confidential Appendix A.

In REP 644 and REP 645, the commission found 6 additional subsidy programs that conferred benefits to exporters of brackets and clips. These programs are listed in Table 11.

Program #	Program name	Program Type	Countervailable?
1	Transportation subsidy for returning to work after spring festival	Grant	Yes
2	One-time employment retention subsidy	Grant	Yes
3	Reward for overseas business personnel traveling abroad	Grant	Yes
4	Recruitment subsidy	Grant	Yes
5	Industrial reward for 2022	Grant	Yes
6	Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income	Tax	Yes

**Table 11: REP 644 and REP 645 subsidy programs**

Although HRC is the raw material input that goes into HSS, brackets and clips and SCBA, the commission considers that SCBA and brackets and clips are more comparable given

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<sup>85</sup> In the investigation concerning HSS (Investigation 177), a subsidy program entitled ‘hot rolled steel provided by government at less than fair market value’ was designated as Program 20. This subsidy program was designated as Program 20 in subsequent cases concerning HSS exported from China. The subsidy program entitled ‘hot rolled steel provided by government at less than fair market value’ was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193), and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.

<sup>86</sup> EPR 644, Termination report, p 16, EPR 645, Termination report, p 16.

they are further downstream products and use similar raw material inputs being coated galvanised steel. The commission therefore considers that it is reasonable to assume that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of SCBA from China.

#### 7.4.5 Assessment of previously identified programs in REP 611

In REP 611, the commission identified 37 programs applicable to zinc coated (galvanised) steel exported from China. In its application, the Australian industry alleged that the programs applying to zinc coated (galvanised) steel from China will equally apply to Chinese exporters of SCBA. Rondo claimed that producers of SCBA from China are likely to be in receipt of the same or similar benefits.

Program No	Name	Type <sup>87</sup>	Countervailable subsidy (Yes/No)
1	Hot rolled steel provided by government at less than fair market value	Tax and raw material	Yes
2	Coking coal provided by government at less than adequate remuneration	Tax and raw material	Yes
3	Coke provided by government at less than adequate remuneration	Tax and raw material	Yes
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Tax	No
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Tax	No
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Tax	No
7	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
8	Preferential Tax Policies in the Western Regions	Tax	No
10	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment	Tax	Yes
9	Land Use Tax Deduction	Grant	No
12	One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’	Grant	No
13	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	No
14	Superstar Enterprise Grant	Grant	No
15	Research & Development (R&D) Assistance Grant	Grant	No
16	Patent Award of Guangdong Province	Grant	No

<sup>87</sup> A subsidy in the form of a grant is generally where a public body has provided direct funding to the recipient. A subsidy in the form a tax is generally where the recipient has received a lower or preferential tax rate. A subsidy in the form of ‘Less than adequate remuneration’ (LTAR) is generally where a manufacturer has purchased cost inputs at a price that is considered less than adequate remuneration for that input.

Program No	Name	Type <sup>87</sup>	Countervailable subsidy (Yes/No)
17	Innovative Experimental Enterprise Grant	Grant	No
18	Special Support Fund for Non State-Owned Enterprises	Grant	No
19	Venture Investment Fund of Hi-Tech Industry	Grant	No
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.	Grant	Yes
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	No
22	Water Conservancy Fund Deduction	Grant	No
23	Wuxing District Freight Assistance	Grant	No
24	Huzhou City Public Listing Grant	Grant	No
25	Huzhou City Quality Award	Grant	No
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	No
27	Wuxing District Public List Grant	Grant	Yes
28	Anti-dumping Respondent Assistance	Grant	No
29	Technology Project Assistance	Grant	No
30	Equity injection	Grant	Yes
31	Environmental Protection Grant	Grant	Yes
32	High and New Technology Enterprise Grant	Grant	Yes
33	Independent Innovation and High-Tech Industrialisation Program	Grant	Yes
34	VAT refund on domestic sales by local authority	Grant	Yes
35	Environmental Prize	Grant	Yes
36	Jinzhou District Research and Development Assistance Program	Grant	Yes
37	Enterprise support fund	Grant	Yes

**Table 12: Subsidy programs considered in this program**

The commission has verified Rondo's cost data and is satisfied that galvanised steel is the raw material input used to make the goods and is the largest cost element. The commission has therefore examined the evidence associated with the programs identified in REP 611.

For each of the programs identified in REP 611, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods

The commission has assessed each of the programs identified by Rondo and considers that there is adequate evidence indicating 12 out of the 37 programs from REP 611 are relevant to SCBA. For these programs, the commission has previously found producers in the Chinese steel industry received a benefit, and that eligibility criteria were not limited to the specific goods in those inquiries; in other words, exporters of SCBA may also be eligible to receive a benefit.

These programs were specific for reasons other than being limited to the specific goods in question (such as location) which may be satisfied by producers of SCBA. In this regard,

the commission examined Chinese exporter data in the ABF import database and observed many exporters located in regions where the commission had identified recipients of countervailable subsidies in REP 611.

The commission considers that the subsidies applying to galvanised steel as identified in REP 611 is relevant because subsidies applying to galvanised steel may also apply to other products made from galvanised steel, such as the goods.

The commission found that 23 of the programs in REP 611 overlapped with the programs in REP 590. As the commission had relied on the findings from REP 644 and REP 645 to conclude that exporters of brackets and clips did not receive any previously countervailed subsidies from REP 590, the commission removed these programs from its calculation of the subsidy margin.

The commission also examined the programs identified by the GOC in its notifications to the WTO.<sup>88</sup> The commission's assessment of subsidy programs is detailed at **Appendix A**.

## **7.5 Calculation of subsidy margins**

### **7.5.1 All exporters**

In accordance with section 269TAACA, the Commissioner has relied upon all facts available and having regard to reasonable assumptions in assessing whether Chinese exporters of SCBA received countervailable subsidies during the investigation period and the number of countervailing subsidies received.

The commission found that the 6 subsidy programs countervailed in REP 644 and REP 645 and presented at Table 11 apply to exporters of the goods, based on reasonable assumptions that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of SCBA from China. The commission has therefore included these programs in its subsidy calculation.

The commission also finds that 12 out of the 37 programs from REP 611 are relevant to this investigation. The commission undertook an assessment of publicly available information to consider whether these subsidy programs remain in place. The commission did not identify evidence to indicate these programs have ceased. Absent any new information that would warrant a reconsideration of the determinations made in the previous inquiries, the commission has therefore maintained its position that these programs are countervailable.

### **7.5.2 Subsidy Margin**

As stated in section 6.5.1, the commission has determined that all exporters from China are non-cooperative exporters.

The total calculated subsidy margin applicable to exports by non-cooperative and all other exporters from China is 4.5%

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<sup>88</sup> [WTO G/SCM/N/372/CHN, 27 August 2021](#)

The commission's countervailable subsidy calculations for non-cooperative Chinese entities are contained in **Confidential Attachment 5 – Subsidy margin**.

### 7.5.3 Countervailable subsidisation – assessment

In relation to goods exported from China (a Developing Country), countervailable subsidisation is negligible if, when expressed as a percentage of the export price of the goods, that subsidisation is not more than 2 per cent or where the volume is less than 4 per cent of the total Australian import volume.

Subsection 269TDA(2) requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

Noting the subsidy margins presented in Table 10, the Commissioner is also satisfied that SCBA exported to Australia from China by the uncooperative and all other exporters during the investigation period were at subsidised prices, and that:

- the countervailing margins for goods exported by the uncooperative and all other exporters were not negligible; and
- the volume of countervailable goods exported from China by the uncooperative and all other exporters was not negligible.

### 7.6 Level of subsidisation

In relation to the goods exported from China (a developing country), countervailable subsidisation is negligible if, when expressed as a percentage of the export price of the goods, that subsidisation is not more than 2 per cent or where the volume is less than 4 per cent of the total Australian import volume.

Subsection 269TDA(2) requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

Noting the subsidy margins presented in Table 10 and the information contained in **Confidential Attachment 5 – Subsidy margin**, the Commissioner is also preliminarily satisfied that SCBA exported to Australia from China by all exporters during the investigation period were subsidised at not negligible rates and in not negligible volumes.

## **8 ECONOMIC CONDITION OF THE INDUSTRY**

### **8.1 Preliminary finding**

The Commissioner preliminary finds that Rondo, who is the applicant and the largest member of the Australian industry, has experienced injury over the injury analysis period in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity.

The commission did not have sufficient data to determine specific injury experienced by other Australian industry members. However, overall Australian industry sales volumes fell over the injury period, and were 18% lower in the year prior to the investigation period, and 28% lower in the investigation period, compared to the beginning of the injury period, indicating volume related injury for the entire Australian industry.

The commission also found that dumped and/or subsidised goods undercut Australian industry prices in one quarter of the investigation period and that these imports contributed to price depression and price suppression for Rondo's like goods over the investigation period. Overall, the commission considers that the presence and pricing behaviour of dumped and/or subsidised imports limited Rondo's ability to increase prices in line with cost movements, resulting in downward pressure on its selling prices in the investigation period.

### **8.2 Approach to injury analysis**

The matters that may be considered in determining whether the Australian industry producing like goods has experienced material injury are set out in section 269TAE.

As discussed in chapter 5, the Australian industry for like goods consists of Rondo, Studco and Etex. The analysis detailed in this chapter is based on verification information provided by Rondo<sup>89</sup>. The commission has also used Studco's volume and sales data, but this information is not as detailed as Rondo's data and was not verified by the commission. Nonetheless, the commission considers it relevant for its analysis of broader trends across the Australian industry. Etex did not provide the commission with its sales and production volume data, but the commission has used sales data relating to Etex.

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<sup>89</sup> The commission has conducted a verification visit to verify Rondo's data and information provided during the investigation.

The commission's estimate of Etex's sales volume is outlined in chapter 5.3.1. Accordingly, the commission's analysis focuses on the economic condition of Rondo. The commission is satisfied that Rondo is the largest Australian industry member and findings based on its information are relevant to the whole of the Australian industry.

The commission has also considered data from the ABF import database as well as verified Intex (importer) information, where relevant.

All data including volume, price, profit, other injury indicators and market share have been compiled on an annual basis for years ending 30 June.

The commission's preliminary assessment of the economic condition of the Australian industry is at **Confidential Attachment 6 – Economic condition of the Australian industry**.

### **8.3 Volume effects**

The commission found that the Australian industry has experienced injury in the form of lost sales volume and reduced market share during the investigation period.

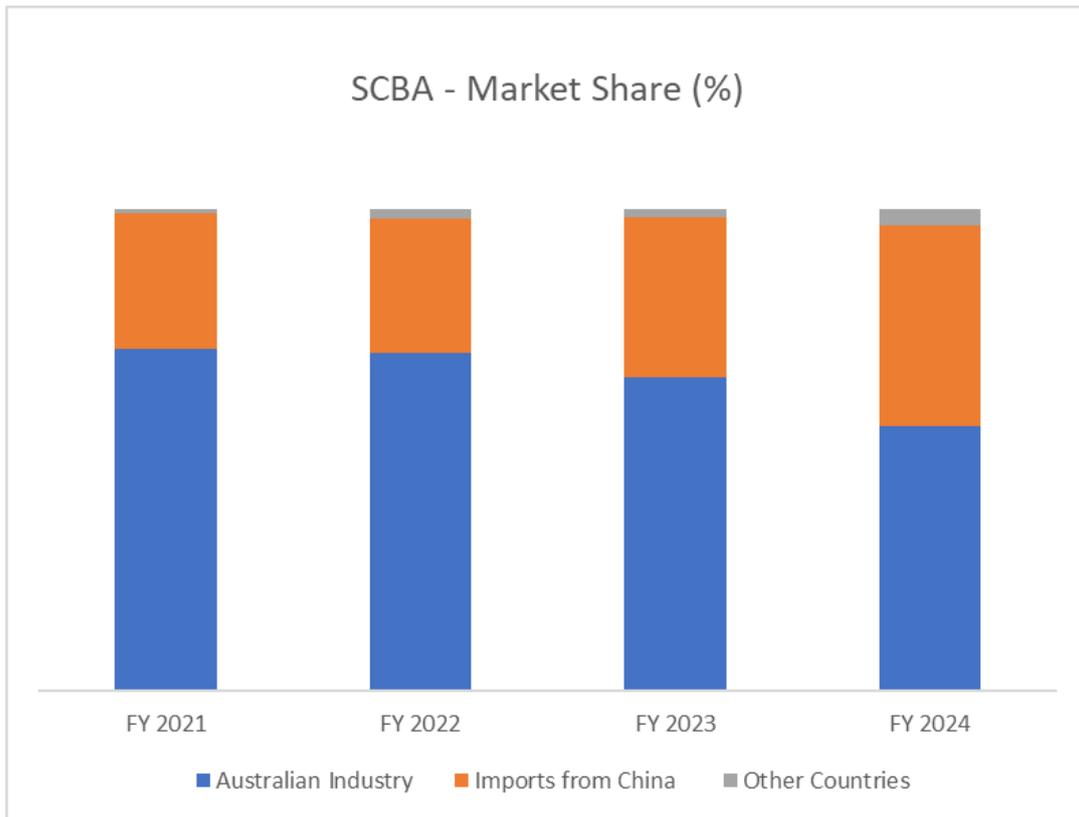
#### **8.3.1 Injury claims relating to volume**

Rondo submitted that it has experienced material injury as a result of the ongoing presence and increase in volumes of SCBA imported from China. In its application, Rondo stated that since the start of the injury period (FY 2021), imports from China have comprised a substantial share of the Australian market. Over this time, import volumes increased and remained at elevated levels, while the Rondo's sales volumes declined.

Rondo also submitted that the Australian market for SCBA has contracted since FY 2021. It claimed that this contraction has translated into a material loss of market share for the Australian industry, while imports from China have maintained or increased their position in the market.

#### **8.3.2 Market size and share**

Figure 7 below depicts the market share of the Australian industry, imports from China and imports from other countries in the Australian market for SCBA during the injury period.



**Figure 7: SCBA market share in sales volume**

	FY 2021	FY 2022	FY 2023	FY 2024
Rondo	100	86	81	78
All Australian industry	100	84	82	72

**Table 13: Index of Australian industry sales, compared to FY 2021**

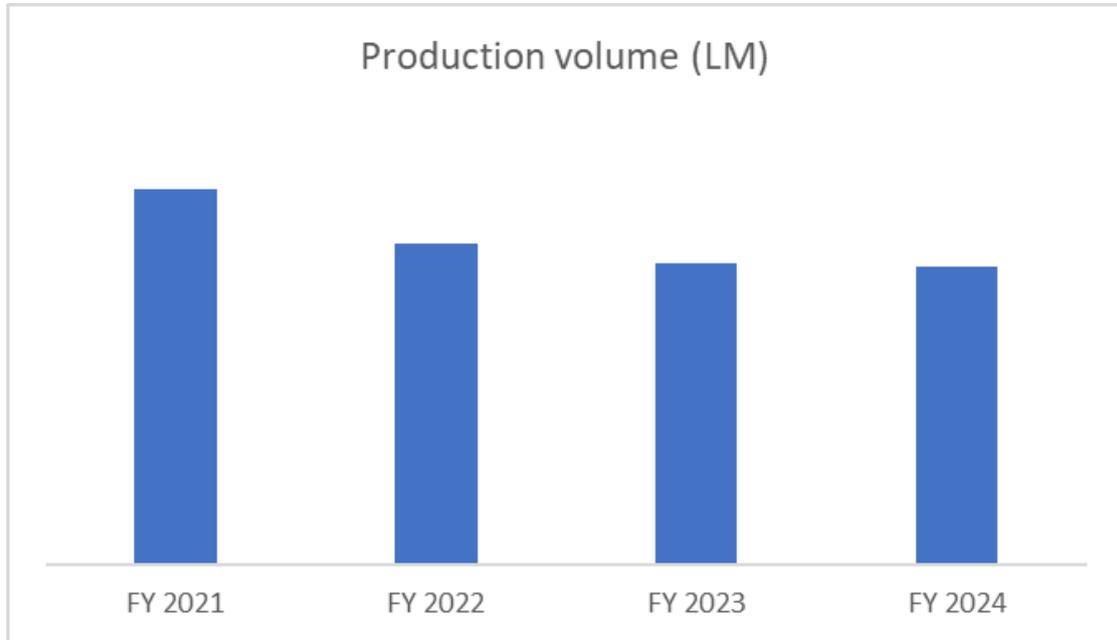
Table 13 above depicts an index of Rondo’s sales volume and sales volume of the Australian industry as a whole over the injury period.

The commission found that the sales volume of SCBA produced by the Australian industry declined over the injury analysis period. Indexed sales for the Australian industry fell from 100 in FY 2021 to 72 in FY 2024 and Rondo’s sales decreased from 100 to 78 over the same period. Figure 7 shows that the Australian industry maintained a relatively steady market share between FY 2021 and FY 2023, before experiencing a noticeable reduction in FY 2024 as imports from China accounted for a greater proportion of total sales.

Based on this analysis, the commission considers that the Australian industry experienced injury in the form of lost sales volume and reduced market share during the investigation period.

The commission’s analysis of market share is at **Confidential Attachment 1 – Market size and share**.

### 8.3.3 Production volume



**Figure 9: Rondo's production volume of SCBA (lineal metres)**

Figure 9 shows that Rondo’s production volumes in lineal metres have decreased year on year over the injury analysis period.

Based on the production data, the commission considers that the Rondo has experienced injury in the form of lower production volumes during the investigation period.

## 8.4 Price effects

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs. In determining whether price suppression has occurred, the commission may assess:

- whether prices have increased at the same rate as costs over time or within a specified period and/or
- whether prices for the Australian industry’s like goods are lower than prices that may have been achieved in the absence of dumping.

The commission considers that Rondo has experienced injury in the form of price suppression and price depression during the investigation period.

### 8.4.1 Injury claims relating to price

In its application, Rondo claimed to have suffered both price depression and suppression.

To assess Rondo’s claim, the commission compared the weighted average selling price of like goods sold by Rondo compared to its weighted average CTMS for the like goods over the injury period. Figure 10 depicts this comparison.

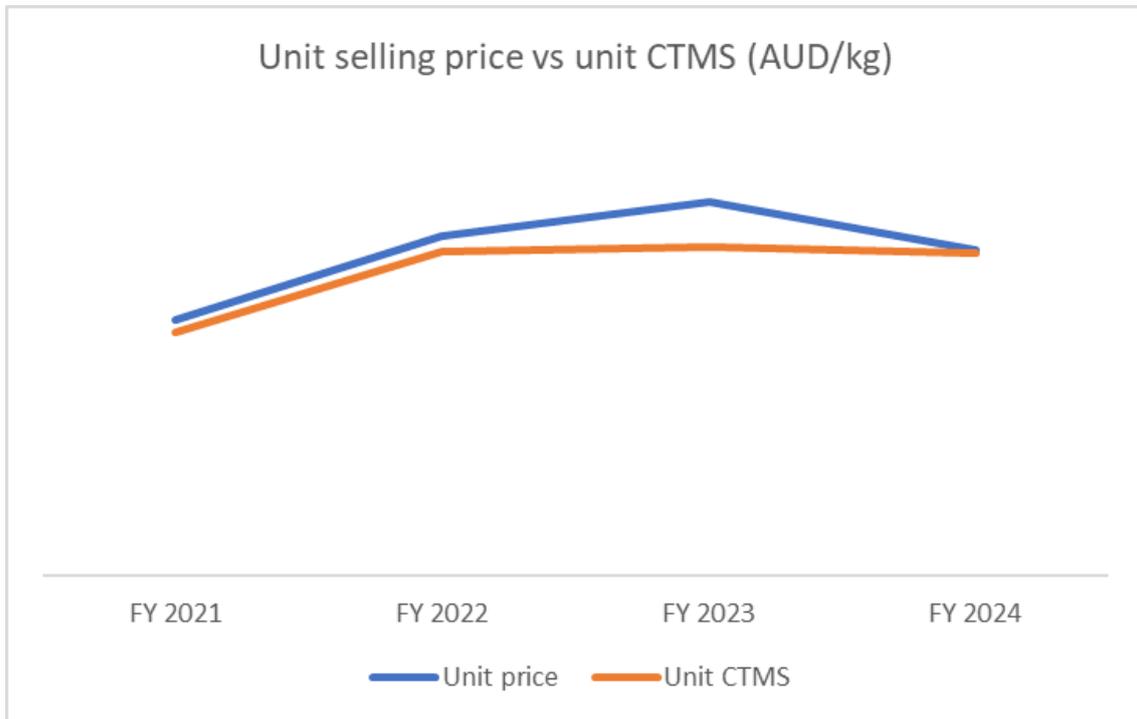


Figure 101: Rondo unit selling price and CTMS (AUD/kg) – injury period

#### 8.4.2 Price suppression and price depression

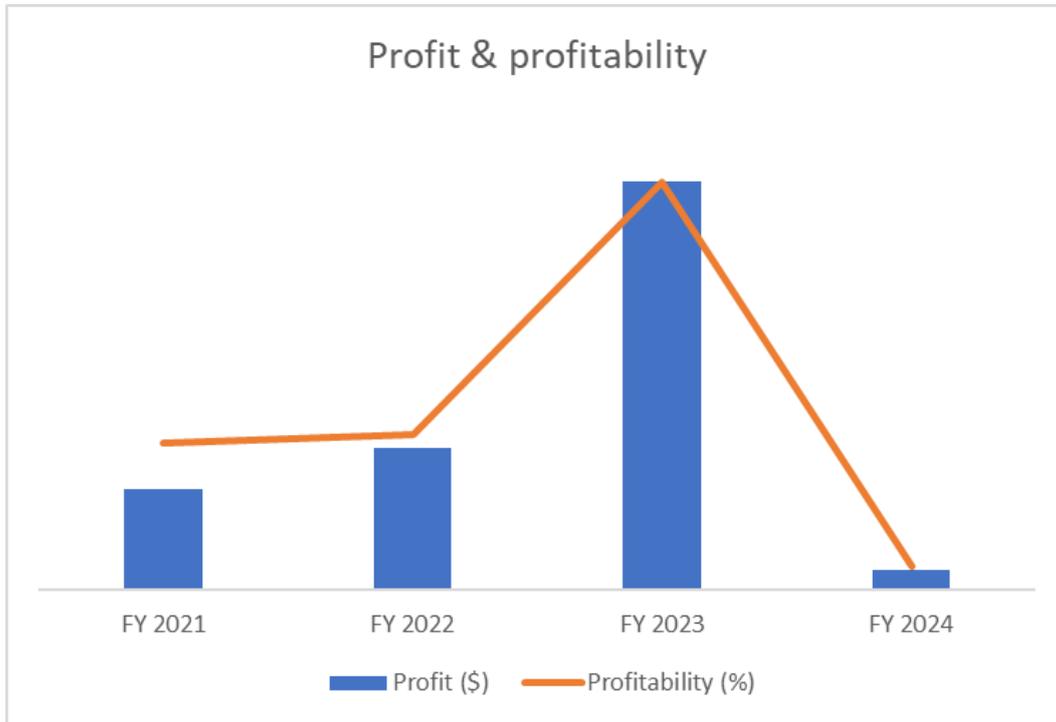
Figure 10 shows that Rondo’s unit selling prices increased between FY 2021 and FY 2023, with selling prices remaining above unit CTMS in each of those years. The margin between selling price and CTMS widened slightly in FY2023, indicating that Rondo was able to achieve some price increases over the injury period. However, Figure 10 also shows that Rondo’s unit CTMS rose steadily across the injury analysis period, while selling prices did not increase at the same rate and then declined in the investigation (FY 2024). The reduction in selling prices in FY 2024 represents price depression, as prices fell from the previous financial year.

The convergence of selling prices and CTMS in FY 2024 indicates that Rondo was unable to maintain the margins it achieved in earlier years. Although selling prices exceeded CTMS before FY 2024, the pattern in Figure 10 suggests that Rondo was not able to increase prices to fully reflect the underlying cost increases across the period. This is indicative of price suppression, as price increases that might otherwise have occurred were not realised. On this basis, the commission considers that Rondo experienced injury in the form of both price suppression and price depression during the investigation period.

The detailed price injury analysis is provided at **Confidential Attachment 7 – Price undercutting analysis.**

## 8.5 Profits and profitability

Figure 11 shows the Rondo's total profit and profitability over the injury period.



**Figure 112: Rondo's total profit and profitability**

In its application, Rondo claimed that due to the relatively high fixed costs required to produce the like goods, the loss of sales volume resulted in fixed costs being higher on a unit basis than they otherwise would be thereby reducing profitability.

Figure 11 shows movements in Rondo's profit and profitability across the injury period. Profit increased between FY 2021 and FY 2023, reaching its highest level in FY 2023, before falling sharply in FY 2024. Profitability followed a similar pattern, increasing over the period to FY 2023 and then declining significantly in the investigation period.

Figure 11 indicates that Rondo's improved profit and profitability in FY 2023 coincided with selling prices relative to CTMS, as shown as Figure 10, whereas the substantial decrease in FY 2024 is consistent with both lower selling prices and reduced sales volume. The reduction in profitability in FY 2024 is also consistent with Rondo's claim that lower production volumes (as shown in Figure 9) increased the per-unit burden of fixed costs.

Based on this analysis, the commission considers that Rondo experienced injury in the form of reduced profits and reduced profitability during the investigation period.

The commission's analysis of profit and profitability is available at **Confidential Attachment 6 – Economic condition of the Australian industry.**

## 8.6 Other economic factors

In its application, Rondo also claimed injury in the form of the following other economic factors:

- reduced production
- reduced capacity utilisation
- reduced employment and wages
- reduced capital investment.

Table 14 shows the change or variation in other economic factors between FY 2021 to FY 2024, indexed with respect to FY 2021.

	FY2021	FY2022	FY2023	FY2024
Assets	100	98	105	77
Capital investment	100	91	179	235
Revenue	100	114	118	100
Return on investment (profit % of revenue)	100	138	171	50
Capacity utilisation	100	97	102	101
Productivity (output per employee)	100	93	93	95
Employment (manufacturing) - hours	100	104	105	102
Wage bill (manufacturing)	100	107	116	120
Inventory (closing stock)	100	84	80	100
Cash flow (inventory turnover)	100	130	150	117
Production (like goods)	100	86	81	80

**Table 14: Other economic factors (FY 2021 = 100)**

Based on the above, the commission considers that Rondo has experienced injury over the injury period in the form of:

- reduced asset value
- reduced return on investment (profit % of revenue)
- reduced production
- reduced productivity (output per employee)
- increased wage bill.

## 8.7 Conclusion

The commission considers that Rondo has experienced injury in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue

- reduced return on investment
- reduced capacity utilisation
- reduced productivity.

## **9 HAVE DUMPING AND SUBSIDIES CAUSED MATERIAL INJURY?**

### **9.1 Preliminary assessment**

The Commissioner is preliminarily satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods in the investigation period.

The commission has preliminarily found that:

- dumped and subsidised goods were exported from China to Australia during the investigation period (chapters 6 and 7) and this coincided with the Australian industry experiencing material injury
- importers purchased the goods from China at dumped and subsidised prices in the investigation period, which enabled imported goods to be offered in the Australian market at lower prices than would otherwise have been the case
- the presence of dumped and subsidised imports placed downward pressure on the Australian industry's selling prices, contributing to price depression and preventing the Australian industry from achieving price increases that might otherwise have occurred, resulting in price suppression
- because of these price effects and in combination with the volume of dumped and subsidised imports, the Australian industry experienced material injury in the form of lost sales volume, reduced market, price depression, price suppression and reduced profit and profitability.

Accordingly, the Commissioner is satisfied that exports of the dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.

### **9.2 Legislative framework**

Under sections 269TG, 269TJ and 269TJA, one of the matters that the Minister must be satisfied of in order to publish a dumping duty and/or countervailing duty notice is that, because of dumping and subsidisation, the Australian industry has experienced material injury.

Section 269TAE(1) outlines the factors, to which the Commissioner has had regard, and that may be taken into account when determining whether material injury to an Australian industry has been, or is being, caused or threatened.

Section 269TAE(2A) requires that regard be had to the question as to whether any injury to an industry is being caused by a factor other than the exportation of the goods, and provides examples of such factors.

Section 269TDA sets out the circumstances in which the Commissioner must terminate an investigation. If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13)
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14).

### 9.3 Approach to causation analysis

The commission considers that the Australian industry has experienced injury, as outlined in chapter 8.1 and this injury has coincided with the presence of dumped and subsidised goods from China. This chapter will analyse whether the dumped and subsidised goods caused injury and whether the injury is material.

The commission has had regard to the Act, the *Dumping and Subsidy Manual* (the Manual) and the *Ministerial Direction on Material Injury 2012* (Material Injury Direction)<sup>90</sup> when completing this assessment.

Section 269TAE outlines the requirements for determining whether material injury to an Australian industry is caused by dumping (causation). The Act envisages that causation is examined through the links between the volume of dumped goods and their effect on prices in the Australian market and the consequential impact on the Australian industry. Certain analytical tools are available to the commission to perform causation analysis. The Act does not prescribe any particular methodology for performing causation analysis, which is inherently a qualitative assessment based on all available evidence.

Chapter 22 of the Manual states that the most common way to perform causation analysis is by using a 'coincidence analysis'. Where there is a coincidence in timing between declines in the Australian industry's economic indicators and the volume and price trends of dumped imports, this may be taken to mean there is a causal link.<sup>91</sup> This involves comparing the state of the Australian industry in the investigation period to a point in time prior to the injury having commenced. Another approach would be to use a 'but for' analytical method, positing what would have happened in the Australian domestic market 'but for' the presence of the dumped goods.

The following evidence was examined for the purposes of assessing injury and causation in this SEF:

- Verified data from Rondo regarding volume, price and profit effects during the injury analysis period and investigation period.
- Information submitted from Studco as part of the Australian industry in its questionnaire response
- Verified sales and import data from Intex, a cooperating importer, to determine export prices, selling prices to Australian customers and associated import costs.
- Information from the ABF import database to determine import volumes.
- The broader context of the economic condition of the Australian industry
- ABS data to examine movements in residential building and construction activity that form part of the broader economic context for the goods.

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<sup>90</sup> Ibid.

<sup>91</sup> [The Manual](#) (December 2021) p 99.

The data supporting the commission's analysis of causation (volume and price effects), as detailed in the remainder of this chapter, is at **Confidential Attachment 7 – Price undercutting analysis**.

## **9.4 Rondo's claim concerning injury caused by dumped and subsidised goods**

In its application, Rondo claimed that:

- There is a direct correlation between the ongoing presence and increased volumes of SCBA imported from China and the Australian industry's decline in annual sales and market share for like goods
- The Australian market has declined over the injury and investigation period and this has translated into material loss of market share for the Australian industry while imports from China have maintained their presence
- The presence and pricing of dumped and subsidised goods from China have influenced the Australian industry's quarterly selling prices for like goods, requiring Rondo to suppress price increases in response to low-priced imports, particularly during the investigation period (FY 2024)
- Competitive pressure from the imported goods has contributed to lower prices, with Rondo asserting that it would have achieved higher prices in the absence of SCBA exported from China at dumped and subsidised prices
- Dumped and subsidised goods have been exported from China at sufficient volumes and at sufficiently low prices to cause the Australian injury to experience material injury, including lost sales volume, reduced market share, price suppression, price depression and reduced profits and profitability.

## **9.5 Size of the dumping and subsidy margin**

### **9.5.1 Size of the dumping margin**

Section 269TAE(1)(aa) of the Act provides that in assessing material injury, regard may be given to the size of each of the dumping margins worked out in respect of the goods exported to Australia.

The commission has calculated the dumping margin to be 52.5%.

### **9.5.2 Size of subsidy margin**

Section 269TAE(1)(ab) of the Act provides that in assessing material injury, regard may be given to the size of each countervailable subsidy margin worked out in respect of the goods exported to Australia.

The commission calculated a countervailable subsidy margin to be 4.5%.

### **9.5.3 Commissioner's assessment of the dumping and subsidy margin**

The Commissioner considers that the dumping and subsidy margins provided exporters with the ability to offer the goods to importers in Australia at prices lower than if there were no dumping and subsidisation.

## **9.6 Volume effects**

The commission found that the Australian industry has experienced injury in the form of lost sales volume and reduced market share during the investigation period.

### **9.6.1 Injury claims relating to volume**

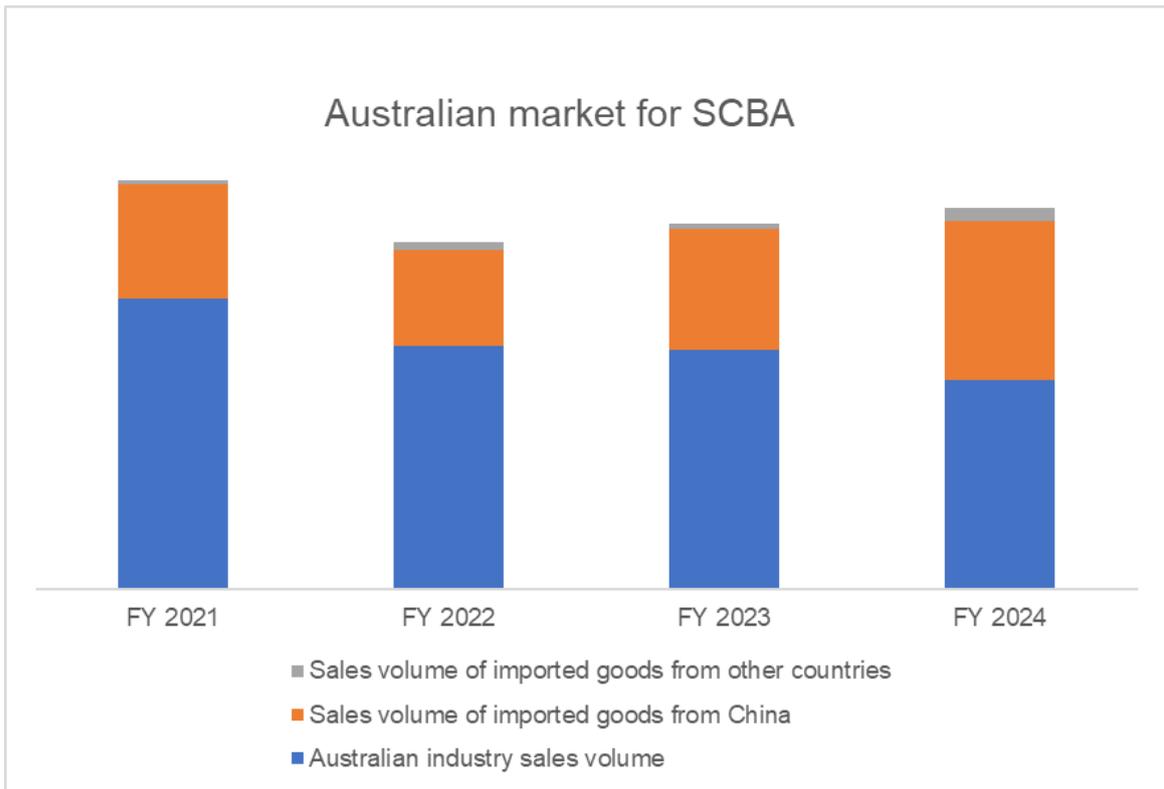
In its application, Rondo claimed that it has been unable to maintain and/or increase sales volume across the injury analysis period, which has been reflected in its material loss of market share to dumped imports from China.

In its application, Rondo submitted that imports of SCBA have dominated the Australian market. Since the beginning of the injury period (FY 2021), imports from SCBA have increased and then remained at elevated levels. Rondo submitted that this sustained volume of imports has directly contributed to a material loss of market share for the Australian industry, while imports from China have continued to hold their position in the market.

As outlined in the following discussion, the commission considers that the Australian industry experienced injury in the form of lost sales volume and reduced market share over the injury analysis period. The commission observes that the decline in Australian industry sales occurred alongside increasing volumes of imported goods from China, resulting in imports capturing a greater share of the Australian market. These trends indicate that the Australian industry faced increasing competitive pressure from imports during the injury period.

The commission also found that the Australian industry experienced lost sales volumes due to factors unrelated to the dumping and subsidisation of goods from China. These factors are discussed further in chapter 9.9.

## 9.6.2 Sales volume and market share



**Figure 12: Australian market for SCBA (kgs)**

Figure 12 shows that imports of SCBA from China increased over the injury analysis period, while the Australian industry's sales volume trended downwards from its peak in FY 2021. Although the overall size of the Australian market fluctuated during the period, the Australian industry's sales volume did not recover and declined further in the investigation period (FY 2024). By contrast, imports from China continued to rise, resulting in imported goods compromising a larger proportion of total sales in the Australian market.

Figure 7 in chapter 8.4.1 illustrates the corresponding change in the market share. As outlined in chapter 8.4.1, the Australian industry's market share decreased over the injury analysis period, while imports from China accounted for an increasing share of the Australian market. The chart indicates that imports from countries other than China remained relatively small and stable, meaning the shift in market share was primarily driven by the growth in Chinese imports.

Together, Figures 7 and Figure 12 demonstrate that the Australian industry experienced both declining sales volumes and loss of market share over the injury analysis period. These movements show that imports captured a greater portion of the market at the time when the Australian industry's share was falling, indicating an increasing competitive pressure from imported goods.

Based on the analysis above, the commission considers that the Australian industry experienced injury in the form of lost sales volume and reduced market share over the injury analysis period. The decline in Australian industry sales occurred alongside increasing volumes of imported goods from China, resulting in imports representing a

larger share of the Australian market. The commission has also considered whether factors other than dumping may have contributed to the volume injury experienced by the Australian industry; these matters are discussed further in chapter 9.6.

## **9.7 Price effects**

The commission considers that the Australian industry experienced adverse price effects during the investigation period, including price suppression and price depression. While the commission examined price undercutting, it did not observe sustained undercutting at the product-code level. The analysis set out below explains how the commission reached these findings and why, even in the absence of sustained undercutting, the pricing of dumped and subsidised imports constrained the Australian industry's pricing outcomes.

### **9.7.1 Rondo's injury claims relating to price**

In its application, Rondo claimed that the Australian industry prices had been undercut by dumped and subsidised imports from China and that this undercutting contributed to price depression and price suppression during the injury period. Rondo further claimed that it would have higher selling prices and would not have experienced these price effects, in the absence of SCBA exported from China at dumped and subsidised prices.

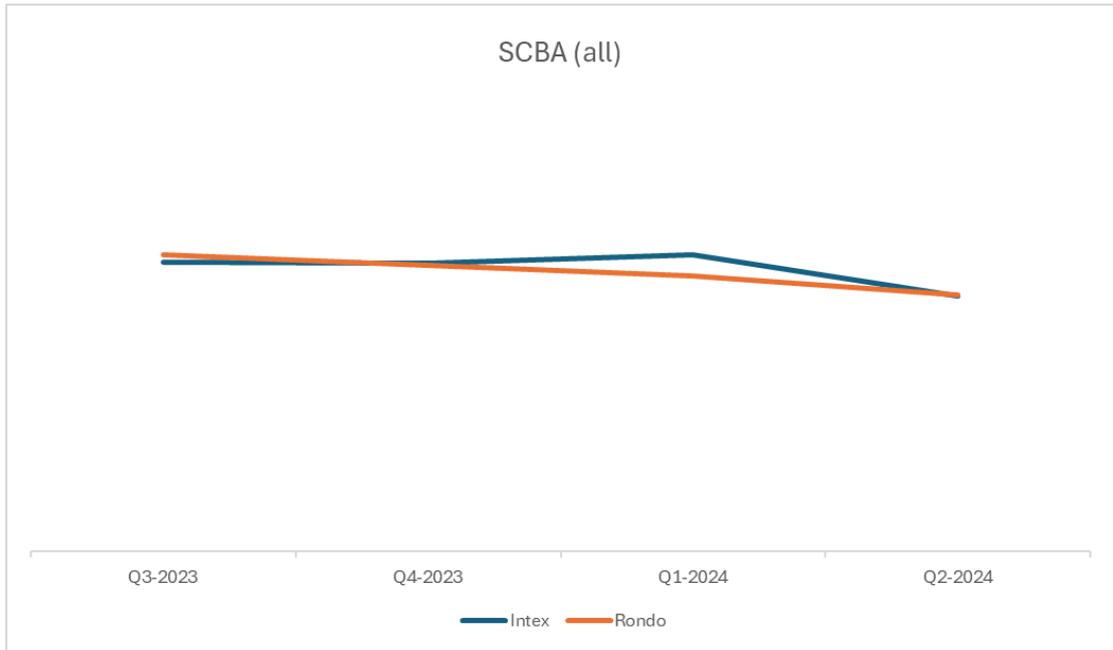
### **9.7.2 Price undercutting assessment**

The commission examined whether imports of SCBA from China undercut the Australian industry's prices during the investigation period. This assessment used verified sales data from Rondo and Intex and compared weighted-average quarterly prices on equivalent delivery terms.

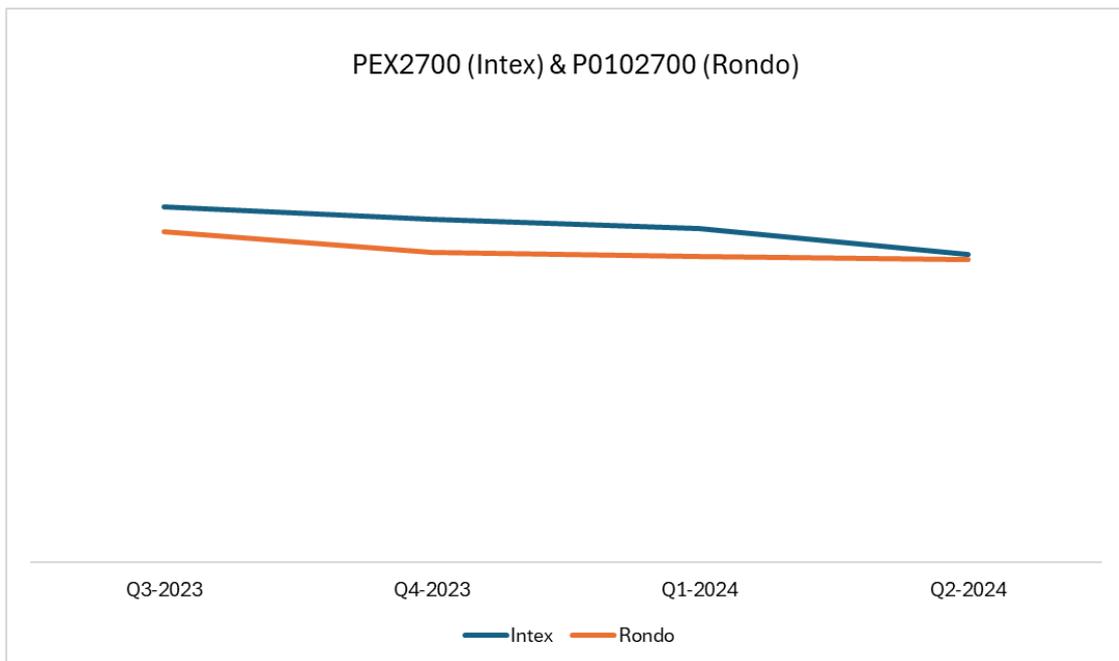
The commission considers SCBA produced by the Australian industry (including Rondo) and imported from China to be substitutable products with limited differentiation. Given that price is an important driver of purchasing decisions for the goods, price comparison is an appropriate tool for assessing potential price effects. To ensure comparability, the commission examined undercutting at both an aggregate level and at the product-code level for the 2 highest-volume models supplied by Rondo and Intex. While some specification differences exist (when assessed within the MCC framework), including base metal thickness, the commission considers these products functionally substitutable for the relevant customers.

At the aggregate level (Figure 13), Intex's weighted-average prices were below Rondo's in one quarter in the investigation period, indicating isolated undercutting. At the product-code level (Figures 14 and 15), the commission did not observe sustained or consistent undercutting for the 2 highest-volume models. Prices for these models were generally comparable and no systematic pattern of undercutting was identified across the investigation period.

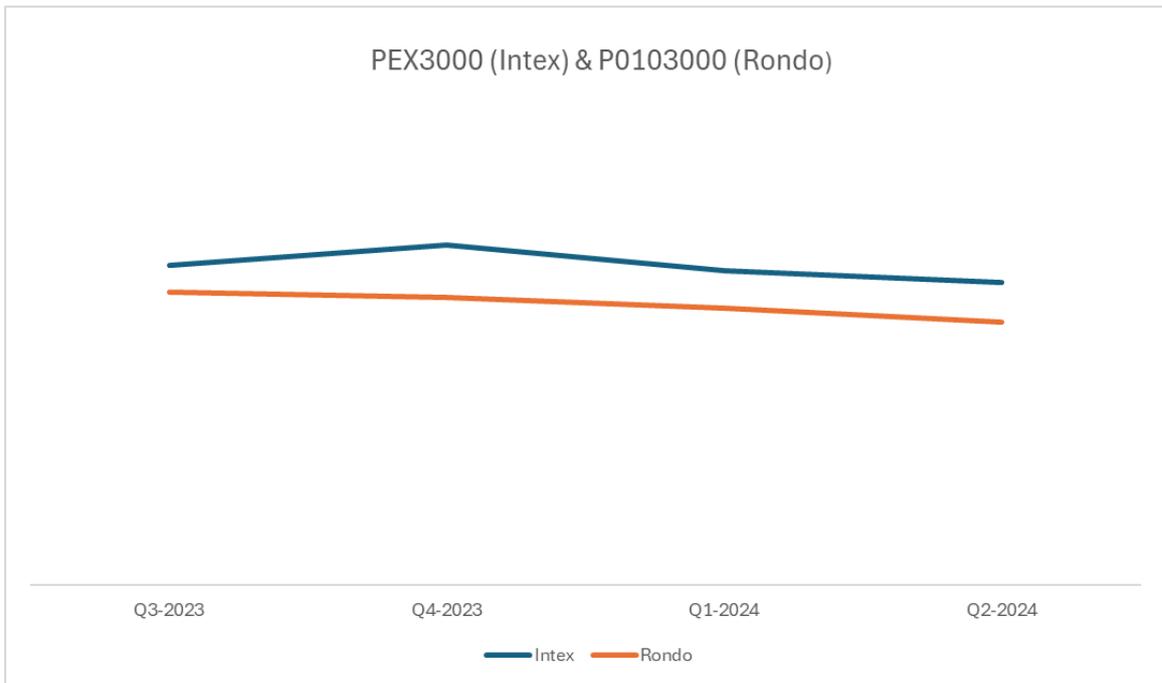
On this basis, the commission considers that observed price undercutting was limited and not sustained. The commission notes, however, that the absence of sustained undercutting does not preclude adverse price effects where the presence of dumped and/or subsidised imports constrains the Australian industry from increasing prices in line with costs or normal commercial expectations. This is further examined in chapter 9.7.4.



**Figure 13: SCBA price comparison (aggregate): Intex and Rondo**



**Figure 14: Price comparison models PEX2700 (Intex) and P0102700 (Rondo)**



**Figure 15: Price comparison models PEX3000 (Intex) and P0103000 (Rondo)**

### 9.7.3 Common customers assessment

The commission identified, for certain common customers, instances of price undercutting by Intex at the product-code level. For some of these customers, the commission observed purchasing patterns showing a shift in supply from Rondo to Intex over the course of the investigation period, with Rondo’s sales volumes declining as Intex’s volumes increased. These shifts coincided with periods in which Intex offered lower prices despite Rondo responding to the lower prices offered by Intex by lowering its prices.

The commission considers that these customer-level purchasing patterns suggest that price played a significant role in customer decisions and that the pricing of imported goods influenced competitive dynamics in the market. These observations are consistent with the presence of price suppression, as the Australian industry reduced or had to restrain prices in response to competitive pressure from imported goods.

### 9.7.4 Price suppression and price depression assessment

The commission considers that Rondo experienced price suppression and price depression during the investigation period. Rondo’s selling prices declined in FY 2024 at a time when CTMS was relatively stable, which indicates price depression. The commission observed that increases in CTMS during the injury analysis period were not matched by corresponding increases in selling prices, which is indicative of price suppression. These movements are illustrated in chapter 8.4.2.

Consistent with the Manual, the commission assessed the level of prices Rondo is likely to have achieved in the absence of dumping and subsidisation. The commission made this assessment by uplifting the selling prices achieved by Intex by the combined dumping and subsidy margin after having applied the lesser duty rule determined and used that

uplifted price as a benchmark price that Rondo could be expected to achieve in direct competition unaffected by dumping and subsidisation.<sup>92</sup>

On this basis, the commission determined that, for the 3 highest-volume product codes sold in the Australian market, Rondo would likely have achieved a minimum increase in prices of approximately 15%, based on the weighted average prices for those product codes. The commission recognises that transaction-level prices may vary across customers and that the level of uplift may differ by customer and by quarter. However, the analysis provides a reasonable basis to conclude that Rondo's prices were constrained by the presence of dumped and subsidised imports. The effects of these pricing outcomes on Rondo's profit and profitability are examined in chapter 9.8.

#### **9.7.5 Commission's assessment on price effects**

Taking these elements together, the commission considers that dumped and subsidised imports from China influenced pricing outcomes for the Australian industry during the investigation period. While the evidence of sustained price undercutting at the product-code is limited, the commission considers that imported goods were available at price levels below those that would have prevailed in the absence of dumping and subsidisation. The commission's counterfactual assessment shows that, absent of dumping and subsidisation, Rondo would likely have achieved materially higher prices on its highest-volume products. The common-customer evidence further indicates that lower-priced imports influenced purchasing decisions and led to the Australian industry reducing or restraining prices.

The commission therefore considers that price depression and price suppression were the principal price effects experienced by the Australian industry during the investigation period. These price effects are relevant to the commission's broader assessment of injury and causation and are considered in conjunction with volume and profit effects outlined in chapter 9.6 and 9.8.

#### **9.7.6 Relationship between price and costs**

The commission examined the relationship between Rondo's selling prices and its CTMS over the injury period. The commission observed that raw material inputs constitute the largest component of Rondo's variable manufacturing costs, accounting for approximately 77 per cent of total variable costs. Movements in Rondo's total cost of goods manufactured generally reflected movements in raw material costs during the period, consistent with the significant weight of these inputs in overall production costs.

Throughout most of the injury period, Rondo's selling prices remained above CTMS, indicating that it continued to operate profitably. However, the margin between selling prices and CTMS narrowed substantially during the investigation period. This narrowing of the price–cost gap indicates that Rondo's ability to maintain normal pricing outcomes was constrained.

The commission considers that the presence of dumped and subsidised imports placed competitive pressure on Rondo during the investigation period, limiting Rondo's capacity

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<sup>92</sup> Using the lesser rate of duty detailed in chapter 11.

to increase or maintain prices in line with cost movements. As a result, Rondo experienced reduced profitability despite relatively stable cost conditions in FY 2024.

## 9.8 Profit effects

As discussed in chapter 8.5, the commission considers that Rondo has achieved lower profit and profitability than would have been the case had sales volume and prices been maintained due to reduced sales volumes and price suppression and depression.

Profit and profitability depend on the margin achieved between prices and costs, as well as how many units are sold. Therefore, if prices or sales volumes decline, or if costs rise without a matching price increase, Rondo's profit and profitability will fall.

The commission examined the level of profitability that Rondo could reasonably expect to achieve under market conditions that are absent the effects of dumping and/or subsidisation. As discussed in chapter 9.6.3, the commission assessed the impact of dumping and subsidisation on Rondo's selling prices by uplifting by the combined dumping and subsidy margin determined, after having applied the lesser duty rule.<sup>93</sup> The commission then assessed the impact of this revenue foregone and impact on Rondo's profitability. The commission finds that in the absence of dumping and subsidisation; Rondo could achieve higher revenue and profit leading to an increase in profitability by 6.2 percentage points.<sup>94</sup>

## 9.9 Other economic factors

As outlined in chapter 8.6, the commission considers that Rondo experienced injury in other economic factors in the form of reduced asset value, reduced return on investment (ROI), reduced production and productivity and increased wage bill.

As outlined in chapter 9.6, the commission finds that the Australian industry experienced injury in the form of lost sales volume which coincided with an increase in import volumes from China. The increase in imports contributed to a reduction in the Australian industry's (including Rondo) production of like goods. This decline in production also contributed to lower productivity outcomes, as the volume of output generated per employee decreased over the period.

The commission further considers that the reduction in production and sales revenue contributed to a decline in Rondo's ROI. While fixed and operating costs remained relatively stable, the decrease in output and revenue resulted in lower profits relative to revenue, thereby reducing Rondo's ROI. The decline in profitability and production also contributed to reduced asset values over the injury period, as the assets generated lower returns.

In addition, Rondo's wage bill increased over the injury period, notwithstanding the reduction in production volumes and productivity. The commission considers this increase

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<sup>93</sup> Consistent with the commission's stated practice in the Manual at page 109 which states the non-injurious price may be utilised by the commission to assess the materiality of injury caused by dumping [and subsidisation].

<sup>94</sup> Expressed as the arithmetic difference between two percentages.

in wage costs, when assessed against falling production levels, to be indicative of further injury in these other economic factors.

Having regard to the analysis, the commission considers that the presence of dumped and subsidised imports from China contributed to the injury in these other economic factors over the injury period.

## **9.10 Factors other than dumping and subsidisation causing injury**

Section 269TAE(2A) states that the Minister must consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods. If so, the Minister must not attribute such injury solely to the exportation of the goods. The section lists the following factors to consider:

- the volume and prices of imported like goods that are not dumped or subsidised
- contractions in demand or changes in patterns of consumption
- restrictive trade practices of, and competition between, foreign and Australian producers of like goods
- developments in technology
- the export performance and productivity of the Australian industry.

The commission has examined these factors and other potential causes of injury to the Australian industry, other than dumped and subsidised goods exported from China.

After having regard to these other factors, the Commissioner preliminarily considers that injury to Australian industry is caused by the presence of dumped goods from China undercutting the Australian industry's prices. The following factors are also causes of injury to the Australian industry:

- a contracted domestic Australian SCBA market
- increased competition within the domestic Australian industry, and
- non-price-related factors influencing customer purchasing decisions.

### **9.10.1 Decreasing size of the market**

The commission has considered the broader economic environment in which the Australian industry has operated over the injury analysis period. As outlined in chapter 5.2.3, demand for SCBA is closely linked to residential dwelling construction activity. SCBA are predominately used in the installation and finishing of internal walls and ceilings, including by plasterers during the fixed and setting of plasterboard, where corner beads and angles are applied to strengthen and finish joints and edges. Accordingly, demand for the SCBA aligns closely with the level of dwelling construction. ABS data shows that residential construction activity peaked in FY 2021.<sup>95</sup>

Dwelling approvals and commencements rose sharply in FY2021 due to record-low interest rates and significant Australian government stimulus directed at home building, particularly the HomeBuilder program announced in June 2020.<sup>96</sup> These conditions

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<sup>95</sup> Source: ABS data - Building Activity, Australia June 2024.

<sup>96</sup> Source: ABS *Home building through the pandemic*, released 19 November 2024, available at: [available at: https://www.abs.gov.au/articles/home-building-through-pandemic](https://www.abs.gov.au/articles/home-building-through-pandemic).

contributed to a temporary surge in new detached house construction. In the years following FY 2021, as interest rates increased and stimulus measures were withdrawn, approvals and commencements declined each financial year, falling below 2019–20 levels by FY 2024.<sup>97</sup> This reflects a broader contraction in residential building activity and therefore a reduction in the overall market for SCBA.

As set out in chapter 8.3.1, the Australian industry experienced a decline in sales volume over the injury analysis period, which is consistent with the reduction in residential construction activity described above. The commission considers that the shrinking size of the market has had a negative impact on the economic condition of the Australian industry. However, while the contraction in demand provides important context, it does not explain the Australian industry's loss of market share. Despite the decline in dwelling activity, import volumes of SCBA increased over the same period, indicating that the Australian industry faced not only reduced demand but also intensified competition from imports. Accordingly, the commission finds that although declining residential construction activity has contributed to weaker market conditions for SCBA, it does not account for the full extent of the injury experienced by the Australian industry.

### **9.10.2 Competition from other Australian industry manufacturers**

The commission has considered whether competition from other Australian industry manufacturers, Etex and Studco, has contributed to the injury experienced by Rondo during the injury period. As set out in chapter 4.3, the Australian industry comprises of 3 key producers of like goods: Rondo, Studco and Etex.

The commission has examined the sales volume and market share of each Australian industry manufacturer. The evidence shows that Studco and Etex experienced similar declines in their SCBA sales volume and market share over the injury analysis period. These trends closely align with those observed for Rondo. As outlined in chapter 5.2.3, the downturn in residential construction following the FY 2021 peak resulted in lower demand for SCBA; however, as shown in chapter 5.3.2, while total market demand contracted, imports increased or maintained their market share while the Australian industry's market share declined.

The parallel decline in sales and market share across the Australian industry indicates that Rondo's performance was not solely caused by increased competition from Studco and Etex. Instead, the consistent downward trend across the Australian industry producers reflects broader market conditions and the increased penetration of imports. The commission therefore considers that the competition from other Australian industry manufacturers did not materially contribute to the injury experienced by Rondo. Rather, the collective decline in the Australian industry's market share and sales volume, together with the rise in import penetration, demonstrates that imports, rather than other Australian industry producers, accounted for the loss of market share during the injury analysis period.

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<sup>97</sup> Ibid.

### 9.10.3 Submissions concerning factors other than dumping causing injury

The commission has received several submissions from Intex, which among various other matters, contested the claims that the Australian industry has experienced material injury and that any injury was caused by dumping. The commission also received several submissions from Rondo that directly countered Intex's claims.

#### Intex and Rondo submissions

In Intex's submission published 27 August 2025, Intex contested the notion that the Australian industry has experienced material injury during the investigation period, citing the following reasons:

- Rondo's approach of targeting individual components rather than full wall and ceiling systems is flawed, given that market competition occurs at the system level
- Rondo is losing market share to other Australian industry competitors: Siniat/etex and Studco/JFE, who are outperforming Rondo in system sales and installation
- The financial decline of Rondo during the investigation period is attributed to competitive pressures from Siniat/etex and Studco/JFE, and not Intex's niche imports
- As a small, specialised supplier, Intex argues that it does not have the market power to influence Rondo's financial outcomes, especially in the challenging construction market conditions in the investigation period

On 9 September, Rondo responded to Intex's claims in a submission stating that:

- Intex's assertion of having no influence on the Australian market is not supported by available evidence.
- Intex is not a specialised supplier; it offers a broad product range across different market segments including fasteners, sealants and adhesives, compounds and tapes, tools and accessories, site equipment, and spare parts
- Intex has a larger distributor network than Rondo, giving them greater network coverage. This enables Intex to influence the Australian industry position by offering prices for steel products below what would otherwise be for non-dumped, non-subsidised, and therefore non-injurious market rates.
- Contrary to Intex's claim that Rondo is losing ground to Australian industry competitors, the availability of imported subject goods is highly prevalent.
- Intex has grown significantly since 2020, as evidenced by its publicised investments and market activity, demonstrating its increasing competitive impact.

Intex provided a further submission arising from its importer verification visit, published on 12 October 2025, which reiterated a number of injury and causation claims previously raised during verification and in its submission dated 27 August 2025. Intex's key claims are summarised below:

- Intex reiterated its view that market competition operates at a wall and ceiling system level and that analysing individual components such as SCBA does not reflect how suppliers compete in the market

- Intex maintained that the Australian market is dominated by three large, vertically integrated domestic manufacturers: Rondo, Siniat/etex and Studco. Its pricing behaviour and market strategic determine system-level outcomes
- Intex reiterated its position that all three Australian industry manufacturers experienced revenue impacts due to the construction downturn and that these broader market conditions, rather than imports, explain changes to Rondo's performance
- Intex argued that Rondo's relative decline in revenue and market share is attributable to competition from Siniat/etex and Studco, including their system-level offerings, national coverage, plasterboard integration and investment strategies
- Intex submitted that Rondo, Studco and Siniat/etex all recorded profitability during the investigation period, which in its view indicates the absence of material injury attributable to SCBA
- As a small, specialised supplier with limited market share and no system-level integration, Intex argues it lacks the market power to influence price or volume outcomes for the dominant Australian industry manufacturers, and therefore cannot be the cause of injury claimed by Rondo.

Intex provided a further submission regarding Rondo's claims of injury and causation, citing Etex's recent marketing campaign 'Siniat. The One'.<sup>98</sup>

- Intex claim this supports their position that Rondo's loss of market share is attributable to Etex rather than imports.
- Intex presented evidence of Etex's perceived competitive advantages over Rondo referring to Etex's acquisition of BGC Group's plasterboard business.

### **The commission's assessment**

The commission has considered the submissions from Intex and Rondo concerning whether factors other than dumping and subsidisation explain the Australian industry's injury during the injury period. Intex submitted that competition in the wall and ceiling market occurs at a "system level" rather than at the level of individual components such as SCBA and that Rondo's performance is more appropriately explained by competition from other Australian industry producers and broader construction market conditions. Rondo disputed these claims and submitted that imported SCBA, including those supplied by Intex, have materially influenced market pricing and volume outcomes.

#### System-level competition and the "Siniat. The One" campaign

Intex submitted that Rondo's focus on individual components is misplaced because competition in the Australian market operates at a wall and ceiling "system level" and that system-level offerings from other Australian industry producers, such as Etex's "Siniat. The One" campaign and Etex's acquisition of BGC's plasterboard business – explains Rondo's performance. The commission examined these submissions alongside available technical documentation and the findings set out in chapter 3.6.8.

Product literature for concealed ceiling systems show that engineered systems consist of components such as furring channels, top-cross rails and suspension hardware, which

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<sup>98</sup> EPR 677, no. 14.

require brand-specific compatibility, and in some instances, form part of system-level warranties. However, as outlined in chapter 3.6.8, SCBA do not appear in any system component lists reviewed by the commission and do not form part of an engineered ceiling or wall system. SCBA are finishing sections applied to plasterboard corners and do not mechanically interface with proprietary system elements.

Accordingly, while system-level competition may influence demand for certain engineered components, the commission does not consider SCBA to be system-integrated products or subject to system-level compatibility constraints. Marketing strategies such as Etex's "Siniat. The One" campaign reflect broad product-portfolio positioning and the capacity of suppliers to offer a range of framing, lining and finishing products. However, these strategies do not demonstrate that SCBA are purchased or specified as part of an integrated system. As outlined in chapter 3.6.8, verification findings show that SCBA are purchased, stocked and invoiced as standalone items, are acquired to meet immediate installation needs, and are treated by market participants as discrete finishing products rather than system-dependent components.

The purchasing patterns examined in chapter 9.7 further support this conclusion. Customers purchased SCBA as individual items and substituted between Rondo and Intex in response to lower-priced offers, in a manner consistent with direct product-level competition rather than system-level purchasing behaviour.

#### Rondo's performance relative to other Australian industry manufacturers

Intex submitted that Rondo's performance is explained by competition from Etex and Studco. Rondo disputed these claims and submitted that imported goods remain highly prevalent and continue to displace Australian industry sales. The commission examined these competing claims against Australian industry data. As set out in chapter 5.3.2, all Australian producers experienced declines in SCBA sales volumes over the injury analysis period in a contracting market. However, while total market demand declined, imports from China retained or increased their market share. This indicates that competition among the Australian industry producers does not fully explain Rondo's decline and that imported goods captured a larger share of the contracting market.

#### Construction market conditions

Intex submitted that the downturn in construction activity explains the Australian industry's injury. The commission recognises that overall residential construction activity softened following the FY 2021 peak, consistent with the ABS analysis that the COVID-pandemic-driven surge in approvals and commencements was followed by delays, supply constraints, bottlenecks and elevated construction input costs that contributed to volatility across the sector.<sup>99</sup> These trends are consistent with the contraction in overall demand in SCBA as illustrated in chapter 5.3.2.

However, as outlined in chapter 5.3.2 and further assessed in chapter 9.9.2, while total demand declined, the Australian industry collectively lost market share while imports increased or maintained their share of the contracting market. Studco and Etex

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<sup>99</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

experienced declines in SCBA sales volumes similar to Rondo, indicating that domestic competition does not explain Rondo's performance. The relative shift from domestic manufacturers to imports demonstrates that broader construction conditions cannot, on their own, account for the adverse price and volume outcomes identified for SCBA. The evidence instead shows that imports captured a growing proportion of a shrinking market, placing additional competitive pressure on domestic suppliers.

#### Influence of imported SCBA and Intex's role

Intex submitted that, as a small and specialised supplier with limited market share, it lacks the market power to influence pricing outcomes. Rondo disputed this and submitted that Intex supplies a broad product range and has a wide distributor network. The commission examined customer-level data and observed instances, set out in chapter 9.7.3, where Intex supplied comparable SCBA at lower prices and where customer purchases shifted from Rondo to Intex during the investigation period. These shifts occurred in circumstances where Rondo reduced its prices in response to Intex's offers. While the commission acknowledges Intex's overall market share is smaller than Rondo, this evidence indicates that Intex's pricing behaviour exerted competitive pressure on Rondo's SCBA prices for certain customers.

#### Financial performance

Intex submitted that the profitability of Rondo, Etex and Studco during the investigation period indicates the absence of material injury. The commission does not consider consolidated profitability to be determinative in assessing injury for SCBA specifically. The verified financial data for Rondo's SCBA business shows a material decline in profitability during the investigation period, linked to suppressed pricing and the narrowing margin between selling prices and CTMS. These findings are consistent with the commission's assessment that Rondo experienced price suppression and price depression for SCBA.

#### Conclusion

Having regard to all submissions and the available information to the commission, the commission considers that factors such as construction market conditions and competition from other domestic manufacturers may have contributed to aspects of Rondo's overall commercial performance. However, these factors do not adequately explain the adverse price outcomes identified for SCBA. The evidence shows that SCBA are not system-integrated components, that customers purchased SCBA as standalone items rather than as part of system bundles and that imported SCBA exerted direct pricing pressure during the investigation period.

On this basis, the commission does not accept that system-level competition or domestic competition displaces its findings that dumped and subsidised imports contributed to the material injury experienced by the Australian industry producing SCBA.

### **9.11 Materiality of dumping and subsidisation causing injury**

The Commissioner is preliminarily satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods exported to Australia from China in the investigation period.

The term 'material' in the context of determining whether material injury has been or is being caused is not defined in the Act. However, the Material Injury Direction directs the commission to consider 'material injury' to be injury that is not 'immaterial, insubstantial or insignificant'.<sup>100</sup> There is no threshold amount that is capable of general application and identifying material injury will depend on the circumstances of each case and will differ from industry to industry and from time to time. A material injury assessment involves a range of factors that are considered together, and no one or several of these factors can necessarily give decisive guidance.

The Material Injury Direction provides that injury from dumping or subsidisation need not be the sole cause of injury to the industry, where injury caused by dumping or subsidisation is material in degree. It further provides that the commission will judge the materiality of injury caused by a given degree of dumping or subsidisation differently, depending on the economic condition of the Australian industry suffering the injury.

In considering the circumstances of each case, the commission must consider whether an industry that at one point in time is healthy and could shrug off the effects of the presence of dumped or subsidised products in the market, could at another time, weakened by other events, suffer material injury from the same amount and degree of dumping or subsidisation.

When considering the materiality of the injury caused by dumping, the commission had regard to several factors, including:

- the size of the dumping and subsidy margins as outlined at section 9.5
- the magnitude of price undercutting by dumped and subsidised imports, and the perceived importance of price in purchasing decisions
- the change in Australian industry's prices relative to the prices of imports from China
- the change in the volume and market share of imports and of the Australian industry.

Noting the commission's findings in chapter 5 that the conditions of competition within the two segments of the goods are different and its findings in this chapter that the Australian industry has suffered injury in the ceiling battens segment from dumped and subsidised goods, the commission assessed whether this injury is material.

### Pricing injury

As set out in chapter 9.7, the commission found evidence of price suppression and price depression affecting the Australian industry. Rondo's selling prices declined in FY 2024 despite relatively stable cost-to-make-and-sell, and prices did not increase in line with rising costs earlier in the injury analysis period. The commission did not observe sustained price undercutting at the product-code level; however, common-customer analysis demonstrated that lower-priced import offers contributed to downward pressure on Rondo's achievable prices. The commission's counterfactual benchmark assessment

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<sup>100</sup> [ADN 2012/24, New Ministerial Direction on Material Injury.](#)

indicates that, in the absence of dumping and subsidisation, Rondo would likely have achieved materially higher prices for its highest-volume SCBA models.

### Volume injury

As outlined in chapters 5.3.2 and 9.9.2, the Australian industry's sales volume and market share declined during a period in which imports from China maintained or increased their share of the Australian market. While overall market demand contracted following the FY2021 peak in construction approvals and commencements, the domestic industry's loss of market share was greater than the decline in total demand. This pattern is consistent with imports displacing domestic production rather than domestic competition explaining the relative decline in Australian industry performance.

### Profitability effects

The verified financial data for Rondo shows a significant decline in profitability for SCBA during the investigation period, driven by suppressed selling prices and a narrowing margin between revenue and CTMS. This reduction in profitability is consistent with the price effects identified and with the commission's assessment that Rondo was unable to increase or maintain prices in response to cost movements due to the presence of lower-priced imported goods.

### The commission's assessment

The commission considers that the Australian industry has suffered injury in the form of price suppression and price depression. The Australian industry has also suffered volume injury as a result of the increased volume of goods imported at dumped and subsidised prices. The combined effects on price and volume caused by dumping and subsidisation has led to a reduction in the Australian industry's profit and reduced its profitability by 6.5 percentage points.

When considered in totality, the commission is satisfied that the injury experienced by the Australian industry caused by dumped and subsidised goods is not immaterial, insubstantial or insignificant. Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods caused material injury to the Australian industry producing like goods.

## **10 WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE**

### **10.1 Preliminary findings**

The Commissioner is satisfied that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

### **10.2 Introduction**

When publishing a notice under sections 269TG(2) and/or 269TJ(2) the Minister must be satisfied that, among other things, dumping and subsidisation may continue.

In assessing whether dumping may continue, the Commissioner considers the term 'may' to mean 'possible'.

### **10.3 Whether dumping and subsidisation may continue**

To assess whether dumping and subsidisation may continue, the commission has had regard to the following:

- dumping and subsidisation in the investigation period
- competition between Chinese suppliers
- sales volumes in the Australian market
- distribution links, and
- production capacity.

#### **10.3.1 Dumping and subsidisation in the investigation period**

In assessing whether dumping and subsidisation may continue, the Commissioner considers prior evidence of dumping and subsidisation to be a relevant consideration in that assessment.

The commission found that the goods were exported to Australia from China during the investigation period at dumped prices. The dumping margins outlined in section 6.1 of this report (Table 9) were 52.5%. Further, the commission found that goods were exported to Australia from China at significantly dumped prices in each quarter of the investigation period and that the dumping margin increased over the investigation period. Given the significance of the dumping margins and the increasing trend found, the commission considers that dumping may continue.

The commission found significant rates of subsidisation over the investigation period. The subsidy programs identified in this investigation have been identified in multiple other inquiries over an extended period of time. The legislation and policies underpinning many of these countervailing subsidy programs also indicates that these subsidies will remain in place. The commission is consequently satisfied that these subsidy programs may continue into the future.

### **10.3.2 Competition**

Evidence before the commission suggests that Australian industry and importers compete to supply the Australian market with price being a relevant consideration in customers purchasing decisions. Given the substitutability of the goods from China, sourcing from an import source is a relevant consideration in customers' purchasing decisions.

The nature of competition in the Australian market is such that the multiple exporters of the goods may continue to compete by exporting the goods at dumped and subsidised prices in the future.

### **10.3.3 Volume trends**

The commission further examined imports after July 2024. This examination indicates that imports of the goods have continued after the investigation period and have been imported in greater volumes.

The commission considers that the trend in increasing sales volumes of imported goods from China indicates that, dumped and subsidised goods are increasingly being preferred over those being sold by the Australian industry, which is supported by the finding that the Australian industry has lost market share over the period examined. According to the ABF data the imports volumes from China have continued to increase since the investigation period. Therefore, exporters of the goods may have an incentive to continue selling goods to importers at dumped and subsidised prices so that importers remain competitive on price and continue to increase their sales volumes in the Australian market.

### **10.3.4 Distribution links**

The commission identified that importers of the goods have existing supply arrangements with Chinese exporters, which were in place prior to and during the investigation period. The commission considers that these importers are established importers and distributors of SCBA in the Australian market and therefore will likely remain major participants in the Australian market on the presumption that those goods are sold at dumped prices.

### **10.3.5 Available production capacity**

Whilst no exporters cooperated with the investigation, evidence indicates that there remains excess steel production capacity in China. According to the OECD Steel Outlook 2025 report, the global steel market is in a precarious state with excess capacity growing from unsustainably high levels.<sup>101</sup> Asian economies are expected to account for 60% of the new capacity, led by substantial increases in China, India and the Association of Southeast Asian Nations (ASEAN). 100 The excess production capacity may induce manufacturers of the goods to continue exporting the goods to Australia at dumped and subsidised prices.

The commission has examined ABF data and found that exports of the goods to Australia from China have continued following the investigation period.

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<sup>101</sup> [OECD Steel Outlook 2025](#), p 16.

## 11 NON-INJURIOUS PRICE

### 11.1 Preliminary assessment of NIP

The Commissioner has preliminarily found that the NIP is less than the normal value for all exporters. The NIP was established based on a constructed unsuppressed selling price (USP), which is discussed below. Therefore, the Commissioner has preliminarily found that the Minister should consider applying the lesser duty rule.

### 11.2 Discussion

The NIP is relevant to section 8(5B) of the Dumping Duty Act, which requires the Minister to consider the desirability of specifying a lesser amount of duty if sufficient to remove injury to the Australian industry, unless one of the exceptions in section 8(5BAA) of the Dumping Duty Act applies.<sup>102</sup>

The commission also utilises the NIP/lesser duty amount as an additional test to establish whether there is a causal link between the alleged dumping and material injury as was performed in chapter 9.

The Manual specifies that the commission will generally derive the NIP from an USP. The USP is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports.<sup>103</sup>

The commission's preferred approach to establishing the USP is outlined in chapter 24 of the Manual and observes the following hierarchy:

- Australian industry's selling prices at a time unaffected by dumping or subsidisation (market price method)
- constructed industry prices, using the Australian industry's CTMS and a rate for profit, or
- selling prices of undumped imports.

### 11.3 Assessment of USP and NIP

The commission found that the goods exported to Australia from China during the investigation were dumped. Further, the commission found that imports from China were prevalent in the Australian market in preceding periods. Given this, the commission does not consider it preferable to determine the USP, and therefore NIP, using the Australian industry's domestic prices for like goods sold during the investigation period and the preceding periods as these periods were affected by imports from China.

Noting that the Australian industry's selling prices are not suitable for establishing a USP, the commission considers that a constructed USP using the Australian industry's CTMS and an amount for profit would be preferable. Accordingly, the commission determined a

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<sup>102</sup> This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

<sup>103</sup> [Dumping and Subsidy Manual](#), p 106.

USP having regard to the Australian industry's CTMS in the investigation period and weighted average profit achieved by the Australian industry in FY 2023.

The commission used the profit achieved in FY 2023 based on the commission's assessment that this period was the least affected by the presence of dumped imports. By using the profit margin from a year least affected by dumped imports, the commission aimed to ensure that the constructed USP reflects the level of profitability that the Australian industry could reasonably expect to achieve under normal market conditions, absent the effects of dumping. However, the commission recognises that the Australian market during this period was still supplied by a material volume of imports from China and therefore the Australian industry's profit may also have been suppressed in this period because of these imports.

To derive a NIP at FOB terms for goods exported from China, the commission deducted from the USP the following verified costs obtained from Intex:

- importer SG&A expenses and an amount for profit
- overseas freight and marine insurance
- port handling and other charges
- inland freight and
- customs duty.

The commission's calculation of the USP and the NIP is at **Confidential Attachment 8 – USP and NIP**.

#### **11.4 Lesser duty rule**

The Minister is not required to have mandatory consideration of the lesser duty rule where the Minister is satisfied that certain circumstances exist. However, if considered appropriate, the Minister is not prevented from considering and applying the lesser duty rule where these circumstances exist. These circumstances are where:

- the normal value of the goods was not ascertained under section 269TAC(1) of the Act because of the operation of section 269TAC(2)(a)(ii) of the Act;
- the Australian industry in respect of like goods consists of at least two small-medium enterprises; or
- the country in relation to which the subsidy has been provided has not complied with Article 25 of the SCM Agreement for the compliance period.

The commission notes that the normal value of the goods was not determined under section 269TAC(1) of the Act, because of the operation of section 269TAC(2)(a)(ii). Further, the commission has not received any claims or evidence that the Australian industry consists of two or more small-medium enterprises. Additionally, information on the World Trade Organization website indicates that China has notified the WTO on

subsidies under Article 25 of the SCM Agreement.<sup>104</sup> Therefore, none of the exceptions apply in this investigation.

While the Minister must have regard to the desirability of applying the lesser duty rule, the Minister retains discretion as to whether a lesser amount of duty should be ultimately be applied. In this case, the Commissioner considers that the Minister should exercise their discretion to apply a lesser amount of duty (as outlined in Table 14, which is less than the dumping margin for each exporter) on the basis that that the lesser amount is adequate to prevent the injury caused to the Australian industry by dumped goods.

Exporter	Duty method	Effective rate of ICD and IDD before application of lesser duty	Effective rate of ICD and IDD after application of lesser duty
Uncooperative and all other exporters	<i>Ad valorem</i>	56.5%	35.8% <sup>105</sup>

**Table 14: Rates depending on the application of lesser duty rule**

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<sup>104</sup> World Trade Organization, Committee on Subsidies and Countervailing Measures, [Subsidies: New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, G/SCM/N/430/CHN](#).

<sup>105</sup> Note that this rate is *after* consideration of the double-count of a subsidy program. See discussion at section 12.2.4 of this Report.

## 12 PROPOSED MEASURES

### 12.1 Preliminary finding

The Commissioner proposes to recommend to the Minister that anti-dumping measures, using the ad valorem method be imposed in the form of a dumping duty notice in respect of dumping duty that may become payable by importers of the goods from China. In respect of the proposed recommendations in relation to a countervailing duty notice, the commission proposes to recommend the ad valorem duty method.

### 12.2 Forms of dumping duty available

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the forms of duty available to the Minister when imposing anti-dumping measures. They include:

- fixed duty method (\$X per tonne)
- floor price duty method
- combination duty method
- *ad valorem* duty method (i.e. a percentage of the export price).<sup>106</sup>

The various forms of duty all have the purpose of removing the injurious effects of dumping and/or subsidisation. In achieving this purpose, certain forms of duty will better suit particular circumstances. When considering which form of duty to recommend to the Minister, the Commissioner will have regard to the published *Guidelines on the Application of Forms of Dumping Duty* (the Guidelines) and relevant factors in the market for the goods.<sup>107</sup>

#### 12.2.1 Fixed duty method

A fixed duty method operates to collect a fixed amount of duty – regardless of the actual export price of the goods. The fixed duty is determined when the Minister exercises their powers to ascertain an amount for the export price and the normal value.

#### 12.2.2 Floor price duty method

The floor price duty method sets a ‘floor’ – for example, a normal value of \$100 per tonne – and duty is collected when the actual export price is less than that normal value of \$100 per tonne. The floor price is either the normal value or the NIP, whichever becomes applicable under the duty collection system.

#### 12.2.3 Combination duty method

The combination duty method comprises 2 elements: the ‘fixed’ element and the ‘variable’ duty element. The fixed element is determined when the Minister exercises powers to ‘ascertain’ an amount (i.e. set a value) for the export price and the normal value. Either

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<sup>106</sup> Section 5 of the *Customs Tariff (Anti-Dumping) Regulation 2013*.

<sup>107</sup> [Guidelines on the Application of Forms of Dumping Duty](#) (November 2013).

this may take the form of a fixed duty or an *ad valorem* applied to the ascertained export price.

If the actual export price of the shipment is lower than the ascertained export price, the variable component works to collect an additional duty amount, i.e. the difference between the ascertained export price and the actual export price. It is a 'variable' element because the amount of duty collected varies according to the extent the actual export price is beneath the ascertained export price.

#### **12.2.4 *Ad valorem* duty method**

The *ad valorem* duty method applies a proportion of the actual export price of the goods. An *ad valorem* duty is determined for the product as a whole. This means that a single ascertained export price is required when determining the dumping and/or subsidy margin. The *ad valorem* duty method is the simplest and easiest form of duty to administer when delivering the intended protective effect.

### **12.3 The commission's consideration on duty methods**

The Commissioner recommends that the IDD payable on the goods exported from China should be worked out using the *ad valorem* duty method.

The commission found that there are many different types of SCBA that are exported to Australia. The commission also found that there is significant price variation between the different SCBA types. The Guidelines specify that the *ad valorem* duty method has an advantage where there are many models or types of goods which have varied prices, as the method does not require an ascertained export price or floor price which may not be meaningful where prices differ significantly between models. Given this, the commission considers the *ad valorem* duty method to be the most appropriate method to remove the injurious effects of dumping.

As the NIP is less than the normal value determined for all exporters from China, the Commissioner had regard to the NIP in working out the amount of duty payable. The Commissioner considers that a lesser amount of duty, such that the sum of the ascertained export price, ICD and the IDD does not exceed the NIP, is adequate to prevent the injury caused to the Australian industry by dumped and subsidised goods.

Using the *ad valorem* duty method, the IDD payable on the goods exported by all exporters from China is worked out by calculating the amount of the difference between the ascertained export price of the goods and the NIP. The amount of the difference is expressed as a proportion or percentage of the ascertained export price to derive a fixed rate of IDD. The fixed rate is applied to the actual export price of the goods to determine the amount of IDD payable on the imported goods.

As noted in the Manual for ICD, in most instances the *ad valorem* duty method is likely to be the most suitable duty method as the rate of subsidisation is expressed as a percentage of the value of the goods. Consequently, the commission recommends the *ad valorem* duty method in relation to ICD.

The rate of IDD and ICD payable on the goods imported from China is summarised in Table 4.

## 12.4 Avoidance of ‘double counting’ of subsidy program in the dumping margin

The commission has found that uncooperative and all other exporters received countervailable subsidies under *Program 1 – Hot rolled steel provided by government at less than fair market value*. When there is both an adjustment to raw material costs as part of constructing a normal value and a countervailable LTAR subsidy (such as Program 1), the commission will generally ‘back out’ the relevant subsidy from the dumping margin in order to avoid any double counting.

The Manual provides a further explanation:

The Commission may decide to construct normal value for the goods in question under section 269TAC(2)(c) in certain circumstances. In some of these circumstances, the cost of an input may not reasonably reflect competitive market costs and therefore an adjustment to that input cost is made in constructing normal value. Where that input was also the subject of a less than adequate remuneration.<sup>108</sup>

Program 1 is in respect of hot rolled steel provided at LTAR (in the subsidy margin calculation) and the commission has adjusted galvanised steel cost as a cost input in constructing the normal value for exporters, therefore the dumping margin calculation also addresses the impact of Program 1 on exporters’ costs.

To avoid this double counting, it is necessary for the commission to ‘back-out’ the Program 1 subsidy from either the dumping margin or the subsidy margin for all exporters of the goods from China. The commission’s usual practice to avoid a double count is to deduct the LTAR subsidy margin from the dumping margin, as outlined in the Manual.

Table 15 below provides a summary of the resulting combined dumping and subsidy margins before and after adjusting to remove the double count.

Exporter	Includes LTAR subsidy		LTAR subsidy	Avoidance of LTAR subsidy double-count	
	Dumping margin	Subsidy margin		Dumping margin	Subsidy margin
Uncooperative, non-cooperative and all other exporters	32.3% <sup>109</sup>	4.5%	1%	31.3%	4.5%

**Table 15: Rates of duty for exporters from China**

The commission’s calculation of the dumping and subsidy margins is at **Confidential Attachment 4 – Dumping Margin** and **Confidential Attachment 5 – Subsidy margin**.

The commission notes that the proposed combined rate of IDD and ICD is 35.8%, due to consideration of the lesser duty rule as outlined in section 11.4.2 above.

<sup>108</sup> [The Manual](#) (December 2021) p 93.

<sup>109</sup> Following application of the lesser duty rule.

## **13 PRELIMINARY AFFIRMATIVE DETERMINATION AND AMENDMENT OF SECURITIES**

On 14 October 2025, the Commissioner made a PAD in relation to a dumping duty notice and decided to require and take securities on goods entered for home consumption in Australia on and from 15 October 2025. At that time, the Commissioner was not satisfied that there appeared to be sufficient grounds to make a PAD regarding the alleged subsidisation of the goods exported from China. As a result, no securities were taken in respect of ICD.<sup>110</sup>

Securities for IDD were taken an amount worked out in accordance with the *ad valorem duty* method at the rate of 32.3%.

### **13.1 Preliminary affirmative determination – countervailing duty notice**

As outlined in ADN 2025/103, when the Commissioner made the PAD on 14 October 2025, the Commissioner was not satisfied that there appeared to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported from China had occurred.<sup>111</sup>

Following further analysis for the purposes of this SEF and as detailed in chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible.

Accordingly, the Commissioner has decided to make a PAD in relation to a countervailing duty notice under section 269TD and is satisfied that it necessary to require and take securities under section 42 to prevent material injury to the Australian industry occurring while this investigation continues.

### **13.2 Revised securities**

Based on the findings set out in this SEF, including the assessment of the variable factors and the NIP in Chapters 6 and 11 respectively, and pursuant to section 269TD(1)(a) of the Act, the Commissioner remains satisfied that there appear to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from China.

Further, and as outlined in Chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible. Accordingly, the Commissioner is also satisfied that there appear to be sufficient grounds to publish a countervailing duty notice.

Under section 269TD(4)(b), the Commissioner remains satisfied that it is necessary to require and take securities to prevent material injury to the Australian industry while the investigation continues. The Commissioner therefore proposes to:

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<sup>110</sup> ADN 2025/103, EPR 677 item no 13.

<sup>111</sup> Ibid.

- revise the securities previously required for IDD and
- introduce new securities in respect of ICD, reflecting the new finding of subsidisation in this report.

These securities will apply to goods exported from China and entered for home consumption in Australia on and from 24 February 2026, under section 42 of the Act.

The Commissioner has updated the level of IDD to reflect the revised variable factors and NIP (chapter 6 and 11 refers) set out in this SEF. As a result of these revisions, the IDD applicable to uncooperative and all other exporters has decreased from 32.3% to 31.3%.

The revised securities therefore reflect only the addition of ICD, which is applied in addition to the existing IDD amount.

The IDD and ICD security rates have been determined using the *ad valorem* duty method. Under this method, IDD remains calculated as the difference between the ascertained export price and the NIP, expressed as a proportion of the ascertained export price. ICD is then added separately in accordance with the subsidy margin. The resulting security rates are summarised in Table 16.

	Rates	IDD		ICD	Combined IDD and ICD	Form of measures
		Before LTAR removed <sup>112</sup>	After LTAR removed			
Uncooperative and all other exporters.  <i>There were no cooperating exporters in this investigation</i>	Before the lesser duty rule applied	52.5%	51.5%	4.5%	56.0%	<i>Ad valorem IDD and ICD</i>
	After lesser duty rule applied	32.3%	31.3%	4.5%	<b>35.8%</b>	

**Table 16: Revised securities applicable on and from 24 February 2026**

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<sup>112</sup> Less than adequate remuneration (LTAR)

## 14 APPENDICES AND ATTACHMENTS

<b>Appendix A</b>	Assessment of alleged subsidy programs
<b>Confidential Attachment 1</b>	Market size and share
<b>Confidential Attachment 2</b>	Export price calculation
<b>Confidential Attachment 3</b>	Galvanised steel prices
<b>Confidential Attachment 4</b>	Dumping margin
<b>Confidential Attachment 5</b>	Subsidy margin
<b>Confidential Attachment 6</b>	Economic condition of the Australian industry
<b>Confidential Attachment 7</b>	Price undercutting analysis
<b>Confidential Attachment 8</b>	NIP and USP

# 15 APPENDIX A – ASSESSMENT OF ALLEGED SUBSIDY PROGRAMS

## A1 Introduction

In its application, Rondo identified 37 subsidy programs from REP 611 and 59 programs from REP 590 that the commission found to be countervailable in previous investigations and inquiries. As noted in section 7.4.4 of this report, the commission's recent investigations into brackets and clip heads found no evidence that any exporters of the goods the subject of those investigations received any previously countervailed subsidies from REP 590, other than subsidies under 'Program 20 - hot rolled steel provided by government at less than fair market value'.

The commission considers that SCBA and brackets and clips are comparable as they are downstream products made from galvanised steel. The commission therefore considers that it is reasonable to assume that those subsidies not received by Chinese exporters of brackets and clips would also not be available to exporters of SCBA from China.

REP 644 and 645 found 6 subsidy programs not previously countervailed as applying to exporters of brackets and clips from China. The commission considers that it is reasonable to assume that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of SCBA from China. The commission reached this conclusion having considered that both brackets and clips and SCBA have the same raw material inputs, being coated galvanised steel.

In relation to the 37 subsidy programs identified by Rondo in its application that were countervailable by the commission in REP 611, the commission found that 23 programs overlapped with the programs in REP 590. As the commission had relied on the findings from REP 644/REP 645 to conclude that exporters of the brackets and clips did not receive any previously countervailed subsidies from REP 590, the commission removed these programs from its calculation of the subsidy margin.

For the remaining programs identified in REP 611, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods.

## A2 Legislative framework

### A2.1 Definition of 'subsidy' and 'countervailable subsidy'

Section 269T(1) defines 'subsidy' as follows:

*subsidy*, in respect of goods exported to Australia, means:

- (a) a financial contribution:
  - (i) by a government of the country of export or country of origin of the goods; or
  - (ii) by a public body of that country or a public body of which that government is a member; or

- (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

- (iv) a direct transfer of funds from that government or body; or
  - (v) the acceptance of liabilities, whether actual or potential, by that government or body; or
  - (vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
  - (vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
  - (viii) the purchase by that government or body of goods or services; or
- (b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.<sup>113</sup>

Without limiting the definition of 'subsidy' in section 269T(1), a financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.<sup>114</sup> Section 269TAAC of the Act defines a 'countervailable subsidy' as follows:

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<sup>113</sup> Section 269TACC of the Act sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

<sup>114</sup> Section 269T(1)(2AA) of the Act.

- (1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.
- (2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:
  - (a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
  - (b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
  - (c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
  - (d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.
- (3) Subject to subsection (4), a subsidy is not specific if:
  - (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
  - (b) eligibility for the subsidy is automatic; and
  - (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
  - (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.
- (4) The Minister may, having regard to:
  - (a) the fact that the subsidy program benefits a limited number of particular enterprises; or
  - (b) the fact that the subsidy program predominantly benefits particular enterprises; or
  - (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
  - (d) the manner in which a discretion to grant access to the subsidy has been exercised;
 determine that the subsidy is specific.
- (5) In making a determination under subsection (4), the Minister must take account of:
  - (a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and
  - (b) the length of time during which the subsidy program has been in operation.

Section 269TACD of the Act provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

## **A2.2 Definition of government, public and private bodies**

As noted above, under section 269T(1) of the Act, for a financial contribution to be a subsidy, it must be provided by:

- a government of the country of export or country of origin of the goods, or

- a public body of that country or a public body of which that government is a member, or
- a private body entrusted or directed by that government or public body to carry out a governmental function.

In its assessment of each subsidy, the commission has had regard to the entity responsible for providing the financial contribution under the relevant program, as part of the test under section 269T(1) of the Act for determining whether a financial contribution is a subsidy.

### Government

As noted in section 16.2 of the Manual, the commission considers that the term ‘government’ includes government at all different levels, including at a national and sub-national level.<sup>115</sup>

### Public body

The term ‘public body’ is not defined in the Act. Determining whether an entity is a ‘public body’ requires evaluation of all available evidence of the entity’s features and its relationship with government, including the following:

- The objectives and functions performed by the body and whether the entity in question is pursuing public policy objectives. In this regard relevant factors include:
  - legislation and other legal instruments
  - the degree of separation and independence of the entity from a government, including the appointment of directors, and
  - the contribution that an entity makes to the pursuit of government policies or interests, such as considering national or regional economic interests and the promotion of social objectives.
- The body’s ownership and management structure, such as whether the body is wholly or partly owned by the government or whether the government has a majority of shares in the body. A finding that a body is a public body may be supported through:
  - the government’s ability to make appointments
  - the right of government to review results and determine the body’s objectives, and
  - the government’s involvement in investment or business decisions.

The commission considers this approach is consistent with the WTO Appellate Body decision of *United States – Countervailing Measures (China)*.<sup>116</sup> In that case, the Appellate body referred to the following 3 indicia which may assist in assessing whether an entity was a public body vested with, or exercising, government authority:

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<sup>115</sup> [The Manual](#) (December 2021).

<sup>116</sup> DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

- where a statute or other legal instrument expressly vests government authority in the entity concerned
- where there is evidence that an entity is, in fact, exercising governmental functions
- where there is evidence that a government exercises meaningful control over an entity and exercises governmental authority in the performance of government functions.

These principles have also previously been considered in the Federal Court of Australia.<sup>117</sup>

### Private body

Where an entity is neither a government nor public body, the commission will consider it a private body, in which case, a government direction to make a financial contribution in respect of the goods must be established in order for the contribution to be considered a subsidy, as defined by section 269T(1) of the Act.

Pursuant to section 16.3 of the Manual, in determining the character of an entity which may have provided a financial contribution, the commission will consider whether a private body has been:

- ‘entrusted’ to carry out a government function, which occurs when a government gives responsibility to a private body
- ‘directed’ to carry out a government function, which occurs in situations where the government exercises its authority over a private body.

Not all government acts will be considered as entrusting or directing a private body. Encouragement or mere policy announcements by government, of themselves, are not sufficient to satisfy this test. However, threats and inducements may be evidence of entrustment or inducements. The test is satisfied where the private body is a proxy by government to give effect to financial contributions.

## **A3 Assessment of subsidy programs**

In REP 611 the commission found that there were 37 existing subsidy programs applying to zinc coated (galvanised) steel exported from China, which were assessed in Review No 521.<sup>118</sup> As noted in section A1 of this appendix, some of these programs also applied to exporters of HSS.<sup>119</sup> As the commission did not find evidence that the programs assessed in REP 590 relating to HSS apply to exporters of brackets and clips following the recently completed investigations into these goods, the commission has not included these programs in the assessment of SCBA.

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<sup>117</sup> See *Panasia Aluminium (China) Limited v Attorney-General of the Commonwealth* [2013] FCA 870, [27] - [70] *Dalian Steelforce Hi Tech Co Ltd V Minister for Home Affairs* [2015] FCA 885, [50] - [73].

<sup>118</sup> Review No 521 concerns a review of measures relating to zinc coated (galvanised) steel from China, India, Korea, Malaysia, Taiwan and Vietnam.

<sup>119</sup> See REP 590.

### **A3.1 Assessment of LTAR program – Hot rolled steel provided by government at less than fair market value**

There is no single legislative authority or policy establishing this subsidy program. Rather, the commission considers this program as a collective term to describe conditions within the Chinese steel market under which Chinese SOEs or SIEs (being public bodies) provide hot rolled steel (such as HRC and galvanised steel) at a price lower than a competitive market price (i.e. at less than adequate remuneration, or 'LTAR', having regard to the prevailing market conditions in China).<sup>120</sup>

The commission has countervailed this subsidy program in previous cases concerning steel, including in Investigation 177 and Investigation 193 and the subsequent continuation inquiries where the raw material used to produce the goods the subject of those investigations was HRC.<sup>121</sup>

In the recently completed investigations REP 644 and REP 645, the commission again found that galvanised steel is a key input in the manufacture of downstream products including brackets and clip heads. It was apparent to the commission that only enterprises engaged in the manufacture of these products would benefit from the provision of the input by the GOC at less than adequate remuneration. For this reason, the commission determined that the subsidy is specific and therefore countervailable.

As noted at section 7.3 of this report, at initiation, the commission requested that the GOC complete a questionnaire. The questionnaire included questions relating to this subsidy program, including questions relating to the operation, governance and prevalence of SOEs/SIEs in the steel industry, and questions concerning the ownership of steel producers in China. The GOC did not complete this questionnaire. Further, no exporters provided responses to the exporter questionnaire relating to the subsidy programs.

The commission observes that galvanised steel constitutes 75-80% of the overall costs of manufacture of the goods.<sup>122</sup> Accordingly, the commission considers that it is reasonable to assume that the benefit has passed through fully to producers of the final product subject of this investigation.

The commission has therefore acted on the basis of all facts available and made assumptions that the Commissioner considers reasonable. The commission considers that no new information has been provided that would displace the prior findings of the commission. The commission observes that it has found in previous steel cases, including the most recent cases relating to brackets and clips, that Chinese SOEs and SIEs provide hot rolled steel (such as HRC and galvanised steel) at less than adequate remuneration,

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<sup>120</sup> The commission considers that the term 'hot rolled steel' captures all forms of steel that has initially gone through a rolling process at high temperatures before undergoing further rolling or processing and therefore captures HRC and galvanised HRC/galvanised steel.

<sup>121</sup> Subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20 in Investigation 177 and in subsequent cases concerning HSS exported from China. This subsidy program with the same title was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193) and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.

<sup>122</sup> The proportion of galvanised steel was estimated based on the data from the preliminary dumping margin assessment.

the commission considers that it is reasonable to assume that Chinese exporters of the goods are also in receipt of these subsidies.

Details of the subsidy margin calculations for all exporters from China are at **Confidential Attachment 5 – Subsidy Margin**.

### **A3.2 Assessment of Program 2 and 3**

Program 2 – Coking coal provided by government at less than adequate remuneration and Program 3 – Coke provided by government at less than adequate remuneration have been examined in previous cases where the commission found that they were countervailable programs.

The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation. The commission considers that no new information has been provided that would warrant a reconsideration of the determinations made in the previous inquiries and has therefore maintained its position that these programs are countervailable.

In REP 611, the commission found that exporters of zinc coated (galvanised) steel were not vertically integrated and because coke and coking coal are not inputs to their production, none of the exporters could be in receipt of Programs 2 or 3. As such, in REP 611, the commission found that it did not have sufficient relevant information to find that any exporters of zinc coated (galvanised) steel from China would have received a benefit in respect of Programs 2 and 3. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in that case.

In this current investigation, the commission has found that manufacturers of SCBA in China are not fully integrated producers producing both the galvanised coil and the goods. As the commission noted in section 6.4.1 of this report, based on the manufacturer's product catalogues, promotional videos and photos of their facilities, and descriptions of their production capabilities, there is no indication that manufacturers of SCBA produce their own galvanised coil, rather they cut, bend, roll and shape steel coils they purchase to the required specifications. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in this case.

### **A3.2 Assessment of existing tariff and VAT exemptions**

Programs 11 and 34 were found to be countervailable in Investigation No 193 and again in subsequent reviews for zinc coated (galvanised) steel.

The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation. The commission considers that no new information has been provided that would warrant a reconsideration of the determinations made in the previous inquiries and has therefore maintained its position that these programs are countervailable.

### **A3.3 Assessment of existing grant programs relevant to zinc coated (galvanised) steel**

Programs 33, 35 and 36 were found countervailable in Investigation No 193 and again in subsequent reviews for aluminium zinc coated steel.

The commission first assessed Program 37 in Review 409 and 410 wherein Program 37 was found countervailable and again in subsequent reviews for zinc coated (galvanised) steel.

The commission is not aware of the current status of these programs given that the GOC did not provide evidence in relation to this inquiry.

The commission considers that no new information has been provided that warrants a reconsideration of the determinations made in the previous inquiries, and has therefore maintained its position that these programs are countervailable.