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Anti-Dumping Commission
Investigations
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Public File

Dear Director,

Investigation No. 677 concerning Steel Corner Beads & Angles from China (SCBA)

Rondo Building Services Pty Ltd (**Rondo**) refers to the recently published *Statement of Essential Facts* (**SEF 677**) dated 23 February 2026 and makes the following comments.

1. Key SEF Outcomes

Rondo broadly supports the Anti-Dumping Commission's (**the Commission**) preliminary findings and proposed recommendations as set out the SEF 677.

On dumping margins assessed over the FY2024 investigation period:[1]

- The Commission has preliminarily found that the goods exported to Australia from China during the investigation period were dumped.

- A dumping margin of 51.5 percent was established for uncooperative and all other exporters. No Chinese exporters cooperated with the investigation, and the Government of China (**GOC**) did not respond to the government questionnaire.

- In the absence of cooperation, the export price was determined under section 269TAB(3) of the *Customs Act 1901* (**the Act**) using verified data from the cooperating importer, Intex Group International Pty Ltd (**Intex**).

- The normal value was constructed under section 269TAC(6) using benchmark galvanised steel coil prices from Korea and Taiwan, Rondo's conversion costs adjusted for Chinese labour costs, and SG&A and profit rates from recently completed investigations 644 and 646.

[1] SEF 677, Chapter 6, p. 39-50.

- This approach was informed by the Commissioner's finding that the Chinese domestic market for galvanised steel is subject to GOC distortions that render domestic prices unreliable for the purpose of determining normal value, consistent with findings in REP 611 and SEF 658.

On Chinese subsidisation/countervailing (**CVD**) assessed over the investigation period:[2]

- The Commission has preliminarily found that countervailable subsidies were received in respect of the goods exported from China, with a subsidy margin of 4.5 percent for uncooperative and all other exporters.

- In the absence of cooperation from either the GOC or Chinese exporters, the Commissioner determined the subsidy margin based on all facts available and reasonable assumptions, in accordance with section 269TAACA of the Act.

- The Commissioner identified 12 subsidy programs from REP 611 as relevant to SCBA and a further 6 programs from the recently completed investigations into interchangeable bolted clipping system brackets and clip heads (**REP 644** and **REP 645**).

- The principal program is Program 1, which concerns hot rolled steel (including galvanised steel) provided by government-owned or government-invested enterprises at less than adequate remuneration (**LTAR**). The Commissioner found that galvanised steel constitutes approximately 75–80 percent of the overall cost of manufacture of the goods, and it is reasonable to assume that the LTAR benefit passes through to producers of SCBA.

On the economic condition of the Australian industry:[3]

- The Commission has preliminarily found that the Australian industry, and in particular Rondo as the largest manufacturer of like goods, experienced injury over the injury analysis period (FY2021 to FY2024) in the form of lost sales volume, lower production volumes, price suppression, price depression, loss of profits and profitability, decline in asset values, lower revenue, reduced return on investment, reduced capacity utilisation and reduced productivity.

- Overall Australian industry sales volumes fell 28 percent in the investigation period compared to the beginning of the injury period.

- Rondo's selling prices declined in the FY2024 investigation at a time when costs were relatively stable, indicating price depression, while cost increases during the injury period were not matched by corresponding price increases, indicating price suppression.

- Rondo's profitability declined materially in FY2024, with the margin between selling prices and cost to make and sell (**CTMS**) narrowing substantially.

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[2] Ibid, Chapter 7, p. 51-58.
[3] Ibid, Chapter 8, p. 59-66.

On material injury and causation:[4]

- The Commission is preliminarily satisfied that the dumping and subsidisation of the goods from China caused material injury to the Australian industry.

- The SEF finds that importers purchased the goods at dumped and subsidised prices during the investigation period, which enabled those goods to be offered in the Australian market at prices lower 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 price suppression, and in combination with the volume of those imports, resulted in lost sales volume, reduced market share and reduced profit and profitability.

- The Commission's counterfactual assessment determined that, in the absence of dumping and subsidisation, Rondo would likely have achieved a minimum price increase of approximately 15 percent on its highest-volume product codes, and an increase in profitability of approximately 6 percentage points.

- The Commissioner considered factors other than dumping and subsidisation that may have contributed to injury, including the contraction in residential construction activity, competition from other Australian industry manufacturers, and non-price factors influencing customer purchasing decisions; concluding nonetheless that these factors did not explain the Australian industry's material injury.

On whether dumping and subsidisation would continue:[5]

- The Commission is preliminarily satisfied that dumping and subsidisation of the goods exported from China may continue.

- This finding is based on:
  - the significance of the dumping margins observed during the investigation period and their increasing trend over that period;
  - the continued existence of the subsidy programs identified; the competitive dynamics in the Australian market, where price is a key driver of purchasing decisions;
  - post-investigation period ABF import data showing continued and increasing import volumes from China;
  - established distribution links between Chinese exporters and Australian importers; and
  - evidence of excess steel production capacity in China, as noted in the OECD Steel Outlook 2025 report.

[4] Ibid, Chapter 9, p. 67-84.
[5] Ibid, Chapter 10, p. 85-86.

2. Support for SEF Findings

Rondo supports the SEF 677 conclusions and proposed measures imposition. Rondo submits that the Commission has correctly identified the range of relevant factors affecting the domestic industry's ability to supply SCBAs in Australia and future expectations thereof.

Rondo also supports the amendment of provisional securities in conjunction with the SEF.

2.1 Dumping & Subsidisation Findings

The assessed dumping and subsidy margins for the FY2024 investigation period of 56.0 percent and 4.5 percent respectively are decisive. These positive findings are a vital component in the Commission's assessment process, providing clear evidence of unfair pricing practices that have caused material injury to the domestic industry.

The combined dumping and subsidisation findings in the SEF underscore the need for measures to be imposed, thereby ensuring fair competition and the viability of domestic SCBA production.

2.2 Interpretation of Material Injury

Rondo is supportive of the Commission's interpretation and application of material injury under the Act, the *Dumping and Subsidy Manual*, and the *Ministerial Direction*. The Commission has applied the principle that material injury means injury that is *…not immaterial, insubstantial or insignificant…*,[6] and has appropriately assessed materiality in the context of the specific circumstances faced by the Australian SCBA industry during the inquiry period.

2.3 Volume Injury is Material

Rondo supports the Commission's finding that the Australian industry experienced material volume injury.

The SEF's assessment shows that indexed sales for the Australian industry fell from 100 in FY2021 to 72 in FY2024 (a decline of 28 percent) while Rondo's sales declined from 100 to 78 over the same period. This decline occurred alongside increasing import volumes from China, with the Australian industry's market share falling most sharply in FY2024 as imports captured a growing proportion of the contracting Australian market.

The loss of market share was disproportionate to the overall decline in demand, demonstrating that the Australian industry lost volume not merely because the market shrank but because dumped and subsidised imports displaced domestic sales. The parallel decline across all three Australian industry producers – Rondo, Studco and Etex – confirms that the displacement was industry-wide rather than driven by inter-domestic competition. Post-investigation period data showing continued and increasing import volumes from China further reinforces the materiality of this finding.

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[6] Ibid, p. 84.

2.4 Price Injury is Material

Rondo supports the Commission's finding of material price injury through both price suppression and price depression.

The SEF's assessment shows that Rondo's selling prices declined in FY2024 despite relatively stable CTMS, indicating price depression, while cost increases during the earlier injury years were not matched by corresponding price increases, indicating price suppression.

The Commissioner appropriately found that the absence of sustained product-code level undercutting does not preclude material price injury; the constraining effect of lower-priced dumped and subsidised imports on the domestic industry's pricing is the relevant mechanism. The common-customer assessment at chapter 9.7.3 of the SEF provides direct evidence of this mechanism, showing customers shifting purchases from Rondo to Intex in response to lower-priced offers, even where Rondo reduced its own prices to compete.

The Commission's counterfactual assessment, indicating Rondo would have achieved approximately 15 percent higher prices on its highest-volume product codes absent dumping and subsidisation, quantifies the significance of the price injury. Given that raw materials constitute approximately 77 percent of Rondo's variable manufacturing costs, even moderate price suppression has a pronounced effect on profitability.

2.5 Profit Injury is Material

Rondo supports the Commission's finding of material profit injury.

The SEF's assessment shows that Rondo's profit and profitability peaked in FY2023 before declining sharply in FY2024, consistent with the progressive deterioration in the Australian industry's competitive position as volume declined and prices were suppressed and then depressed.

The Commission's counterfactual assessment determined that Rondo's profitability would have been approximately 6 percentage points higher absent dumping and subsidisation, an impact that is clearly material.

The decline in production volumes also increased the per-unit impact of fixed costs, further compounding the profit injury. The broader injury indicators identified by the Commission at chapter 8.6 of the SEF – reduced asset values, reduced return on investment, reduced productivity and increased unit wage costs – are consistent with an industry being progressively weakened by sustained exposure to dumped and subsidised imports.

2.6 Appropriate Treatment of Other Causal Factors

Rondo supports the Commission's treatment of factors other than dumping and subsidisation, as required by section 269TAE(2A) of the Act.

The Commission has properly identified and assessed each relevant factor without attributing injury caused by those factors to the dumped and subsidised goods.

The Commission correctly acknowledged the contraction in the SCBA market following the FY2021 peak in residential construction activity. While this contraction contributed to lower overall sales volumes, it does not explain the Australian industry's disproportionate loss of market share to imports. In a proportionate decline, domestic and imported goods would lose volume at comparable rates; instead, imports maintained or gained share while all three domestic producers lost share, demonstrating that the market contraction alone is an insufficient explanation for the injury.

The Commission's finding that competition from Studco and Etex did not materially contribute to Rondo's injury is equally sound. All three Australian industry producers experienced parallel declines in sales volumes and market share. If domestic competition were the primary driver, one would expect to see the domestic competitors gaining share at Rondo's expense. The symmetry of the decline across all producers confirms that the competitive pressure was external.

The Commission has also acknowledged non-price factors influencing purchasing decisions without elevating them to displace the causation finding. SCBA are substitutable products with limited differentiation, making price the predominant competitive variable in the market.

2.7 Appropriate Rejection of Intex Claims

Rondo supports the Commission's assessment of Intex's submissions and the conclusions reached in response to those claims. SEF 677 has given due consideration to each of Intex's arguments and has, in Rondo's view, correctly found that they do not displace Rondo's representations nor the Commission's findings on material injury and causation. Specifically:

<u>The "wall and ceiling systems" argument</u>

Intex submitted that SCBA should be understood as components within broader "wall and ceiling systems" and that competition in the Australian market occurs at the system level rather than at the level of individual components. This argument had been advanced by Intex in multiple submissions throughout the inquiry, including by reference to Etex's "Siniat. The One" marketing campaign and Etex's acquisition of BGC Group's plasterboard business.

SEF 677 has correctly rejected this characterisation. The evidence relied upon by the Commission is comprehensive:

- Publicly available product documentation and supplier system listings that do not classify SCBA alongside structural framing system components. SCBA are described as plasterboard finishing profiles, not engineered structural elements;

- Major supplier system webpages, including Siniat's "Metal Framing System" pages, list structural framing elements such as studs, tracks and deflection head tracks but do not include SCBA within those system categories;

- Verification findings from both Rondo and Intex confirmed that SCBA are purchased, stocked, invoiced and promoted as individual components and are commonly acquired by end-users on a standalone basis to meet immediate installation needs;

- Studco's response to the Australian industry questionnaire also identified SCBA as individual products; and

- Common-customer purchasing patterns examined detailed customers substituting between Rondo and Intex at the individual product level in response to price offers, which is inconsistent with system-level purchasing behaviour.

The SEF's finding that SCBA operate as standalone products in both functional and commercial terms is well-founded and should be maintained in the final report.

Intex's claimed lack of market power

Intex submitted that, as a small and specialised supplier with limited market share, it lacks the market power to influence pricing outcomes for the Australian industry. The SEF has addressed this claim by reference to the customer-level evidence.

The common-customer assessment at chapter 9.7.3 of the SEF demonstrates that Intex's pricing behaviour did exert competitive pressure on Rondo's prices for specific customers during the investigation period. The Commission identified instances where Intex offered lower prices, customer purchases shifted from Rondo to Intex, and Rondo was compelled to reduce its prices in response. These findings are based on verified transaction-level data and directly contradict Intex's assertion that it lacked the capacity to influence the Australian industry's pricing outcomes.

Rondo submits that the relevant question under the Act is not whether a single importer has market power in an economic or competition law sense, but whether the dumped and subsidised goods, taken as a whole, have caused material injury to the Australian industry. The Act does not require the Commissioner to establish that any individual importer's conduct was independently sufficient to cause material injury. Rather, the inquiry is directed at the collective effect of all dumped and subsidised imports.

Intex is the largest identified importer, the sole cooperative importer of the goods, and its verified data has been used by the Commission as the basis for establishing the export price and for the price comparison analysis. Intex's role in the market is demonstrably significant at the customer

level, and has been demonstrably significant in the Commission arriving at preliminary correct and preferable outcomes in this inquiry to-date.

Intex's submission on profitability

Intex submitted that the profitability of all three Australian industry producers during the investigation period indicates the absence of material injury. SEF 677 has correctly rejected this argument.

The fact that Rondo, Studco or Etex may have remained profitable in aggregate terms across their broader product ranges does not preclude a finding of material injury in respect of SCBA specifically.

The injury analysis under section 269TAE is directed at the economic condition of the Australian industry in respect of like goods, not the overall financial health of diversified businesses. The Commission-verified financial data for Rondo's SCBA business shows a material decline in profitability during the investigation period, which is the relevant measure.

Intex's claims regarding competition from Etex and Studco

Intex submitted that Rondo's loss of market share is attributable to competition from Etex and Studco rather than imports. SEF 677 addressees this claim by examining the sales volumes and market shares of all three Australian industry producers.

The SEF finds that all three experienced similar declines in SCBA sales volumes and market share over the injury analysis period. If Rondo were losing ground to Etex or Studco, the data would show one or both of those competitors gaining share. Rather, the parallel decline across all domestic producers demonstrates that the competitive pressure came from outside the Australian industry – from imports – not from within it.

Intex's reliance on Etex's "Siniat. The One" marketing campaign as evidence of competitive pressure on Rondo is also misplaced. As the SEF correctly found, that campaign reflects broad product-portfolio positioning and the capacity of suppliers to offer a range of products across framing, lining and finishing categories. It does not demonstrate that SCBA are purchased or specified as part of an integrated system, nor does it establish that Etex's marketing activities were the cause of Rondo's injury for SCBA.

3. The Lesser Duty Rule and Non-Injurious Price

Rondo submits that the Commissioner should recommend that the Minister not apply the lesser duty rule (**LDR**) in this investigation. In the alternative, Rondo submits that the non-injurious price (**NIP**) as currently constructed understates the price necessary to remove the injury caused by dumping and subsidisation, and that the lesser duty amount is therefore inadequate to remove that injury.

3.1 The Minister should not apply the LDR

Legislative framework

Section 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (**the Dumping Duty Act**) requires the Minister to consider the desirability of specifying a lesser amount of duty where that lesser amount is adequate to remove the injury to the Australian industry.[7] However, section 8(5BAA) provides that the Minister is not required to have mandatory consideration of the lesser duty rule where certain circumstances exist. The first of those circumstances is 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) – that is, because a particular market situation (**PMS**) in the country of export rendered domestic prices unsuitable for determining normal values.

Even where section 8(5BAA) applies, the Minister retains discretion to consider and apply the lesser duty rule. Conversely, even where section 8(5BAA) does not formally apply, the Minister retains discretion as to whether a lesser amount of duty should ultimately be applied. As SEF 677 acknowledges at chapter 11.4, the Minister's consideration of the lesser duty rule is discretionary.[8]

Typical procedures should not determine substantive outcomes

In this inquiry, neither Chinese exporters cooperated nor did the GOC respond to the government questionnaire.[9] As a consequence, normal values were determined under section 269TAC(6), having regard to all relevant information.[10] The Commission did not formally determine the normal value through the pathway of section 269TAC(1), finding that domestic prices were unsuitable because of a PMS under section 269TAC(2)(a)(ii), and then constructing normal value under section 269TAC(2)(c). The Commission instead proceeded directly to section 269TAC(6) given sufficient information was not furnished or available.

However, Rondo submits that the substantive analysis underpinning the Commission's constructed normal value under section 269TAC(6) is materially identical to the analysis that would have been conducted under section 269TAC(2)(c) had a formal PMS finding been made. Relevantly at chapter 6.4 of the SEF,[11] the Commission has:

- assembled extensive evidence of GOC distortions in the Chinese steel market, drawing on prior findings in REP 611, REP 590 and the preliminary findings in SEF 658, which examined the Chinese domestic market for HRC during an overlapping investigation period;

- found that the GOC's historic and continued involvement in the Chinese steel industry – through policies, planning guidelines, Five Year Plans and direct and indirect financial support – materially contributed to overcapacity, oversupply and a distorted market structure;

[7] The Manual, chapter 24.1, p. 105.
[8] SEF 677, p. 88.
[9] Ibid, p. 17-19.
[10] Ibid, p. 42.
[11] Ibid, beginning p. 43.

- found that both SOEs and private enterprises operating in the Chinese steel market make decisions based on GOC policy goals and incentives rather than profit-maximising price signals;

- found that GOC support mechanisms insulated firms from ordinary price and profit signals, contributing to excessive investment, excess production capacity and loss-making sales that place downward pressure on prices across the entire market;

- conducted its own price comparison using MEPS data (SEF 677, Figure 6) confirming that Chinese hot-dipped galvanised coil prices were below Korean and Taiwanese prices throughout the investigation period;

- rejected the use of any Chinese domestic prices for galvanised steel on the basis that the GOC's distortions affect the entire HRC and galvanised steel market, regardless of whether the seller is an SOE, SIE or private enterprise; and

- adopted Korean and Taiwanese monthly average galvanised steel prices as the benchmark for the raw material cost component of the constructed normal value, on the basis that normal competitive market conditions prevail in those markets.

This body of evidence is not only relevant to the section 269TAC(6) determination, it is the fundamental evidentiary basis which would support (and in Rondo's submission would compel), a finding that a PMS exists in the Chinese domestic market under section 269TAC(2)(a)(ii).

Had any Chinese exporter cooperated with the investigation, the Commission would have first examined domestic selling prices under section 269TAC(1), found those prices unsuitable because of the PMS, and proceeded to construct the normal value under section 269TAC(2)(c) using the same benchmark methodology already adopted in SEF 677. The resulting normal value would have hence been the same. The only difference would have been the legislative pathway – and that difference would have triggered the first exception in section 8(5BAA), removing the mandatory consideration of the lesser duty rule.

Rondo submits that the absence of a formal PMS finding in this investigation is a procedural outcome of non-cooperation, not a substantive conclusion that no PMS exists. The Commission has not found that the Chinese market is undistorted. Rather, the entirety of the SEF's normal value construction is premised on the finding that Chinese domestic prices for galvanised steel are distorted by GOC intervention and are unsuitable for use. The SEF itself, at chapter 6.4.1, explicitly has regard to Rondo's PMS claims as relevant information to the section 269TAC(6) determination.[12] The Commissioner's analysis at chapters 6.4.1 and 7.4[13] of the SEF provides a comprehensive and evidenced-based account of the distortions in the Chinese steel market that would readily satisfy the PMS threshold under section 269TAC(2)(a)(ii).

[12] Ibid, p. 44.
[13] The subsidies program assessment.

Chinese non-cooperation should not equal a more favourable outcome

The policy rationale underpinning the section 8(5BAA) LDR exception is clear: where the domestic market of the exporting country is distorted by a PMS, domestic prices in that market do not provide a reliable basis for assessing the extent of dumping or the level of duty necessary to offset its injurious effects. In those circumstances, the legislation has determined that the Minister should not be required to limit the duty to a lesser amount derived from a comparison with those unreliable prices.

The amendment to the Act on 1 January 2014, under the *Customs Amendment (Anti-Dumping Measures) Bill 2013* (**the Bill**) gave effect to this discretion. Prior to this, the Minister was required to consider the desirability of applying a lesser duty in all situations.[14] In relevant part, the Explanatory Memorandum (**EM**) to the Bill stated as follows:[15]

> *100. The amendments contained in this Bill amend the Dumping Duty Act to provide that the Minister is not required to give mandatory consideration to the lesser duty rule where (as relevant to the type of notice) the Minister is satisfied that one or more of the following apply in relation to the goods subject to a dumping or countervailing notice:*
>
> *(a) the normal value of the goods was not ascertained under subsection 269TAC(1) of the Customs Act because of the operation of subparagraph 269TAC(2)(a)(ii) of that Act;*
>
> *(b) there is an Australian industry in respect of like goods that consists of at least 2 small-medium enterprises, whether or not that industry consists of other enterprises;*
>
> *(c) the country in relation to which the subsidy has been provided has not complied with Article 25 of the Agreement on Subsidies and Countervailing Measures for the compliance period.*
>
> *…*
>
> *105. The three circumstances described in the amendments are circumstances which can introduce complexity into a dumping or subsidy investigation. In such complex cases, delays can occur in the course of the investigation which impacts on the ability of the injured industry to recover as injury can continue to be sustained until the imposition of measures. The purpose of the amendments is to give the Minister discretion to consider the desirability of fixing a lesser duty in certain circumstances which could be characterised as complex.* ***By imposing the maximum permitted duties in these complex cases, it is intended that a better environment for the recovery of the injured industry will be provided.*** [emphasis added]**.**

Rondo submits that the above policy rationale applies to this inquiry. The Chinese domestic market for galvanised steel, as the primary raw material used in the manufacture of SCBA, is complex and

[14] The Manual, p. 106.
[15] Refer CUSTOMS AMENDMENT (ANTI-DUMPING MEASURES) BILL 2013 Explanatory Memorandum

distorted by GOC intervention. The evidence before the Commission supports that conclusion categorically. The fact that a formal PMS under section 269TAC(2)(a)(ii) was not engaged is solely because Chinese exporters chose not to cooperate. It would be an anomalous outcome if the effect of that non-cooperation were to provide those same exporters with the benefit of the LDR, and the Australian industry with a sub-par measures outcome – a benefit Chinese exporters would not have received, and a detrimental consequence to the Australian industry that would not have transpired – had Chinese exporters cooperated and a PMS finding been formally made.

3.2 In the alternative, the NIP is understated

If the Commission maintains that the lesser duty rule should be applied, Rondo submits that the NIP as currently constructed understates the price necessary to remove the injury caused by dumped and subsidised goods. As a consequence, the lesser duty amount is not adequate to remove the injury, as the precondition for its application under section 8(5B).

<u>The FY2023 profit benchmark is suppressed</u>

The SEF has constructed the unsuppressed selling price (**USP**) using the Australian industry's CTMS in the investigation period and the weighted average profit achieved by the Australian industry in FY2023.[16] The Commission selected FY2023 on the basis that it was the period *…least affected by the presence of dumped imports…*[17]

However, the Commission acknowledges the limitation of this approach:[18]

> *…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.*

A relevant and significant acknowledgement – if the Australian industry's profit in FY2023 was itself suppressed by the presence of dumped imports, then using that profit to construct the USP produces a price that is below the level the Australian industry would achieve in a market genuinely unaffected by dumping. The resulting NIP is correspondingly understated, and the lesser duty amount calculated by reference to that NIP will not be sufficient to remove the injury.

The Commission's own injury analysis supports this conclusion. SEF 677 establishes at chapter 9.6 that imports from China were present at significant volumes throughout the entire injury analysis period, including FY2023.[19] The market share data at Figure 7 shows that imports from China held a material share of the Australian market in FY2023, and indeed the Australian industry's market share was already declining in that year:

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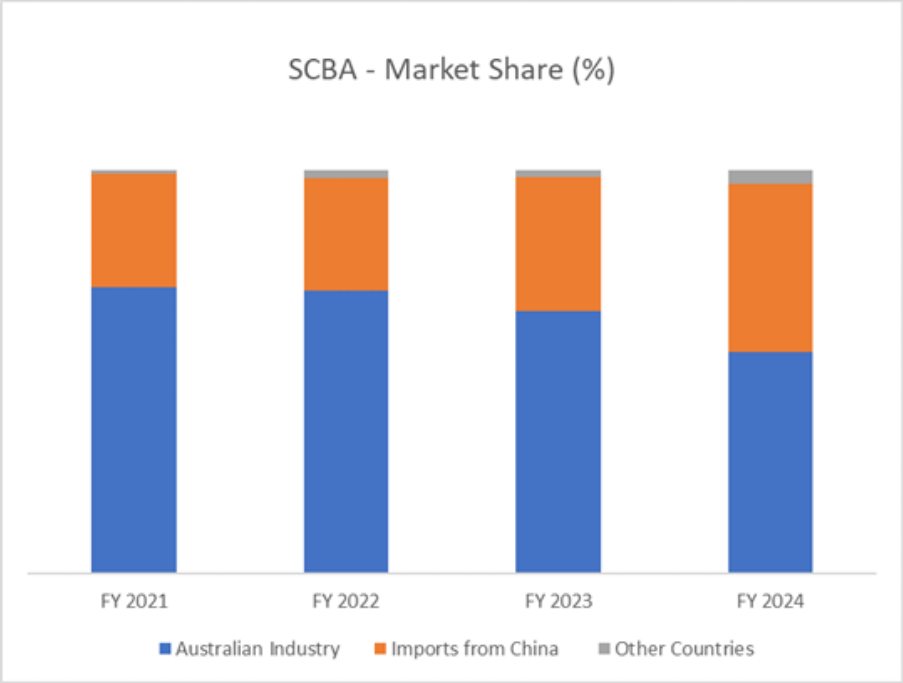
[16] SEF 677, chapter 11.3, p. 88.
[17] Ibid.
[18] Ibid.
[19] Ibid, p. 70.



SEF 644 Figure 7: SCBA market share in sales volume[20]

The price effects analysis at chapters 8.4 and 9.7 further confirmed that the Australian industry's pricing was constrained throughout the injury period. There is no year within the injury analysis period that can be characterised as genuinely unaffected by the presence of dumped imports.

In these circumstances, the use of FY2023 profit as the benchmark for a suppression-free profit margin is a conservative choice that, by the SEF's own assessment, likely understates the profit the Australian industry would achieve under normal market conditions. This in turn understates the USP, the NIP, and the lesser duty amount.

Implications for the effective rate of duty

The application of the LDR reduces the combined effective rate of IDD and ICD from 56.5 percent (before the lesser duty rule) to 35.8 percent (after the lesser duty rule); a reduction of more than 20 percentage points. This is a substantial reduction that materially affects the level of trade relief afforded to the Australian industry.

Where the NIP is understated because the FY2023 profit benchmark was itself suppressed, then the lesser duty amount is not adequate to remove the injury. In this case therefore, the precondition for the application of the lesser duty rule under section 8(5B) – that the lesser amount is "adequate to remove the injury" – is not satisfied, and the full dumping margin should apply.

[20] Ibid, chapter 8.3.2, p, 61.

Given this, Rondo submits that the Commission should:

- recommend that the Minister exercise discretion not to apply the lesser duty rule, for the reasons set out above; and

- recalculate the NIP using a profit benchmark that more accurately reflects the profitability the Australian industry would achieve in the absence of dumped imports. Rondo provides at Confidential Attachment 1 SCBA profit figures for prior to the FY2021 to FY2024 injury analysis period for consideration as a period where profits were not suppressed.[21] [22]

FOR AND ON BEHALF OF

Rondo Building Services Pty Limited

THE AUSTRALIAN INDUSTRY APPLICANT

[21] Confidential Attachment 1.

[22] To the extent that the Commission or other interested parties may respond to this suggestion claiming that pre-inquiry period SCBA data is unverified, one need only look at the Commission's use of the profit rate achieved for 'top hat' goods in the calculation of the USP for *Ceiling Steel Framing Members* (CSFM) in Investigation No. 653. Refer REP 653, chapter 11.3, at p. 108.