

28 May 2026

Mr David Latina
Commissioner
Australian Anti-Dumping Commission

Sent via Email:- investigations4@adcommission.gov.au

Dear Mr Latina

Investigation DC690: Freight Railway Wheels from China

We are writing to convey the concerns of the rail freight industry about potential negative impacts on Australia's rail freight industry regarding **Investigation 690** and whether **freight railway wheels imported from China** are being dumped in the Australian market.

As part of the investigation, the ADC has indicated **provisional dumping margins of approximately 36.9%**, which could result in significant duties being applied while the investigation continues with a commensurate negative impact on the rail freight industry at a time when the industry is facing substantial cost pressures, including from current global fuel supply challenges that have substantially increased the cost of fuel.

While the investigation is primarily focused on protecting domestic manufacturing capability, there is growing industry attention on the **downstream impacts** of materially higher wheel costs on rail freight operators and the broader freight task.

We understand the investigation has been asked to consider both forged and cast freight railway wheels imported to Australia.

Rail wheel discs are a safety-critical, high-volume input, and substantial duty increases may have implications for rail operating costs, modal competitiveness with road freight, regional rail operations, and ultimately supply chain efficiency.

Freight on Rail Group members support Australian manufacturing, including the continued growth of domestic rollingstock component capability. As both rail freight operators and infrastructure providers, we seek to source Australian content where it meets our requirements.

Our position seeks to balance the goals of enabling Australian manufacturers to have the opportunity to supply to industry, while also ensuring that trade remedies remain proportionate and do not unintentionally undermine the competitiveness of Australia's essential freight rail network.

We are seeking to enable a balance between enabling Australian manufacturing while also enabling a rail freight sector that remains efficient, reliable, and cost-competitive. We ask that the Commission's determination explicitly weigh downstream national interest impacts on rail freight and the broader economy. Early reporting has indicated provisional deposits of approximately 36.9%.

While we recognise this is an interim security, the magnitude of the impost risks unintended consequences for critical transport services. If ongoing duties were to be imposed, the negative impacts on our industry would include:

- Rising input costs flow directly into rail operating expenses, which disproportionately affect regional depots and frontline operations. Sustained cost pressures can lead to reduced service frequency, deferred maintenance, or operational rationalisation—each of which carries indirect but material risks to regional employment. Many regional communities rely on rail freight activity for local jobs and economic stability, meaning duty-driven cost escalation has broader social and community implications beyond the wheel supply chain itself.
- Rail vs Road: Rail freight is materially lower-emissions per tonne-km than road and underpins Australia's decarbonisation and infrastructure strategy. If tariffs were to be imposed and this results in significantly higher rail input costs, rail's cost advantage erodes, making road freight more attractive. This would trigger higher carbon emissions, increased heavy vehicle traffic and road safety risks, accelerated wear on taxpayer-funded roads, and complications for strategic projects like Inland Rail.
- Risk from lack of competition in supply: High tariffs effectively create a single domestic supplier, raising concerns about price escalation and supply constraints in the event that competition in the form of wheels manufactured in China are potentially met with ongoing duties that act to prevent effective competition for supply of what is a vital component for the rail freight industry.
- Capacity Constraints: Domestic production may not meet required volumes for safety-critical components, limiting rail's ability to sustain current throughput and growth projects.

- Export Competitiveness: Increased rail costs flow through to mineral exports, reducing global competitiveness and impacting GDP.

In view of the potential negative impacts, we ask that the Anti-Dumping Commission consider the following matters.

- Avoid a diminishing of competition for the supply of freight railway wheels.
- Avoid distorting freight economics and triggering modal shift.
- Public Interest Test Factoring Emissions, Infrastructure, and Export Impacts – Quantify impacts on carbon emissions, road maintenance costs, and export competitiveness and consider these impacts.

Our industry's assessment is that in view of the negative impacts, duties should not be imposed on imported freight railway wheels in circumstances where this would effectively end supplier competition.

If you have any queries regarding this submission, at first instance can you please contact Patrick Coleman from Aurizon on 0400 675 676, or myself on 03 9931 5363.

Yours sincerely,



Geoff Smith
Chair

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