

7 July 2026

Anti-Dumping Commission
Investigations 2
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Public File

Dear Director,

Investigation No. 679 concerning Light Gauge Stud and Track (LGST) from China

Rondo Building Services Pty Ltd (**Rondo**) refers to the *Statement of Essential Facts (SEF 679)* dated 17 June 2026¹ 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 in SEF 679.

On dumping margins assessed over the investigation period (1 April 2024 to 31 March 2025):²

- The Commission has preliminarily found that the goods exported to Australia from China during the investigation period were dumped, and that the volume of dumped goods and the margin of dumping were not negligible.
- A dumping margin of 41.8 percent was established for Wenan Kaize Building Material Co., Ltd (**Kaize**), the sole cooperating exporter, and a dumping margin of 41.8 percent for uncooperative and all other exporters.
- For Kaize, the export price was determined under section 269TAB(1)(b) of the *Customs Act 1901 (the Act)* using the verified selling price of the cooperating importer, Hume Plasterboard Pty Ltd (**Hume**), less deductions. For uncooperative and all other exporters, the export price was determined under section 269TAB(3) of the Act, having regard to Hume's verified data.

¹ SEF 679 – Light gauge steel stud and track – China, 17 June 2026 (**SEF 679**).

² SEF 679, chapter 6.

- Kaize did not sell like goods in the Chinese domestic market during the investigation period. The normal value for Kaize was accordingly constructed under section 269TAC(2)(c) of the Act, by reason of section 269TAC(2)(b). The normal value for uncooperative and all other exporters was determined under section 269TAC(6) of the Act.
- The construction of normal value was informed by the Commissioner's finding that Kaize's hot rolled coil (**HRC**) and galvanised steel input costs are not normal and ordinary and do not reasonably reflect competitive market costs, consistent with the particular market situation found for HRC in China in REP 658 and the Government of China (**GOC**) interventions in the Chinese steel market identified in REP 611 and REP 590.³ The raw material cost was replaced using a benchmark based on Japanese galvanised steel prices, adjusted to render the cost reflective of a cost of production in China.⁴

On Chinese subsidisation and countervailing (**CVD**):⁵

- The Commission has preliminarily found that countervailable subsidies were received on the goods exported from China by all exporters other than Kaize, with a subsidy margin of 4.5 percent for uncooperative and all other exporters.
- Kaize's subsidy margin was negligible. The Commissioner therefore proposes to terminate the subsidy investigation in respect of Kaize.
- In the absence of any response from the GOC or from uncooperative exporters, the subsidy margin was determined on the basis of all relevant information and reasonable assumptions, drawing on the program assessments in investigations 653 and 677 and REP 611 and REP 645.

On the economic condition of the Australian industry:⁶

- The Commission has preliminarily found that the Australian industry experienced injury over the injury analysis period (1 April 2021 to 31 March 2025) 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, reduced productivity and reduced market share.
- The Australian market for LGST contracted over the injury analysis period, yet the share of the market supplied by imports from China increased significantly while the share supplied by the Australian industry decreased.

³ Ibid, p. 39-41 and elsewhere.

⁴ Ibid, p. 39.

⁵ Ibid, chapter 7.

⁶ Ibid, chapter 8.

On material injury and causation:⁷

- The Commission is preliminarily satisfied that the dumped and subsidised goods from China caused material injury to the Australian industry.
- Importers purchased the goods at dumped and subsidised prices during the investigation period, enabling those goods to be offered in the Australian market at prices lower than would otherwise have been the case, placing downward pressure on the Australian industry's selling prices and contributing to price depression and price suppression.
- The Commission's price analysis found that imported goods undercut the Australian industry's prices throughout the investigation period, and by substantial margins.

The SEF assessment shows Intex was undercutting Australian industry's prices by between 15.1 percent and 18.1 percent at quarterly aggregate weight price points, while Hume undercut Australian industry's prices by between 16.8 percent to 18.1 percent at the same level.⁸ For prices by length per lineal metre, Intex undercut Australian industry's prices by between 7.4 percent and 11.1 percent.⁹ Hume's undercutting was between 20.2 percent to 25.9 percent.¹⁰

On whether dumping and subsidisation would continue:¹¹

- The Commission is preliminarily satisfied that exports of the goods from China may continue at dumped and subsidised prices, having regard to the significance of the margins, continued and increasing post-investigation import volumes, established distribution links between Chinese exporters and Australian importers, competitive dynamics in which price is a key driver of purchasing decisions, the continuation of the identified subsidy programs, and excess steel production capacity as noted in the OECD Steel Outlook 2025.

On proposed measures, the non-injurious price and the preliminary affirmative determination:¹²

- The Commissioner proposes to recommend that the Minister publish a dumping duty notice and a countervailing duty notice in respect of the goods exported from China, using the ad valorem duty method.
- The Commissioner has extended the preliminary affirmative determination (**PAD**) to countervailing duties for uncooperative and all other exporters, and revised the securities applying to goods arriving on or after 18 June 2026.
- The Commissioner has applied the lesser duty rule. As a consequence, although the combined dumping and subsidy margins are 41.8 percent for Kaize and 45.3 percent for

⁷ Ibid, chapter 9.

⁸ Ibid, p. 70.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid, chapter 10.

¹² Ibid, chapters 11 to 13.

uncooperative and all other exporters (after removal of the double count of Program 1), a single combined effective rate of 37.8 percent is proposed for all exporters.

2. Support for SEF Findings

Rondo supports the conclusions in SEF 679 and the proposed imposition of interim measures. Rondo submits that the Commission has correctly identified the range of relevant factors affecting the Australian industry's ability to supply LGST in Australia, and future expectations thereof.

2.1 Dumping and subsidisation findings

The assessed dumping and subsidy margins for the investigation period of 41.8 percent and 4.5 percent, respectively, are categorical. These positive findings are a vital component of the Commission's assessment, providing clear evidence of unfair pricing practices that have caused material injury to the Australian industry. The combined dumping and subsidisation findings underscore the need for measures to be imposed, thereby ensuring fair competition and the viability of domestic LGST production.

2.2 Benchmark cost – galvanised steel

Rondo supports the Commissioner's preliminary finding that Kaize's recorded HRC and galvanised steel costs are not normal and ordinary and do not reasonably reflect competitive market costs, such that the usual requirement under Article 2.2.1.1 of the Anti-Dumping Agreement to rely on the exporter's records does not apply.¹³ That finding is well-founded and consistent with:

- the particular market situation found for HRC in China in REP 658, the investigation period of which overlaps that of this inquiry;
- the GOC's extensive and continuing intervention in the Chinese steel market identified in REP 611 and REP 590; and
- the recognition that HRC and galvanised steel constitute the majority of the cost to produce LGST (at approximately 96 percent¹⁴), such that the effect of those interventions flows through to the recorded cost of production.

Rondo supports the Commission's adoption of a benchmark based on Japanese galvanised prices. Importantly, the Commission has found that Japanese prices are not influenced by the GOC.¹⁵ Of importance to the same degree is the finding that Korean HRC prices are likely to be influenced by the GOC.¹⁶

¹³ Ibid, p. 91 onwards.

¹⁴ Ibid, p. 17.

¹⁵ Ibid, p. 95.

¹⁶ Ibid.

The same benchmark and same conclusions have been adopted in concurrent investigation 689 (precision pipe and tube steel), the investigation period of which overlaps three quarters of the period in this investigation.

Rondo submits that using Kaize's unadjusted recorded steel raw material costs, as Kaize has requested, would reintroduce into the normal value the very GOC-influenced input costs that the benchmark is designed to remove.

On the Japanese galvanised steel benchmark specifically, Rondo requests that the Commission confirm, in the final report, its source. The abbreviations to SEF 679¹⁷ define "MEPS" as MEPS International Ltd,¹⁸ yet the term "MEPS" does not otherwise appear in the body of the SEF, and the source of the benchmark price data is not identified in Appendix A. In investigation 677, the Commission relied upon MEPS data as the source of its galvanised steel price comparison. To ensure the transparency, Rondo requests that the Commission confirm whether the benchmark price data is sourced from MEPS International Ltd or from another source, and identify that source in the final report.

2.3 Volume injury is material

Rondo supports the Commission's finding that the Australian industry experienced material volume injury. Although the Australian market for LGST contracted over the injury analysis period, imports from China increased their market share while the Australian industry's market share fell.

The loss of market share was disproportionate to the decline in demand, demonstrating that the Australian industry lost volume not merely because the market contracted, but because dumped and subsidised imports displaced domestic sales. Post-investigation period data showing continued and increasing import volumes from China further reinforces the materiality of this finding.¹⁹

2.4 Price injury is material

Rondo supports the Commission's finding of material price injury through both price suppression and price depression. The Commission's price analysis found that imported goods undercut the Australian industry's prices throughout the investigation period. The presence and pricing of dumped and subsidised imports constrained the Australian industry's ability to increase prices in line with cost movements, placing downward pressure on selling prices. Given that raw materials constitute the majority of the cost to make LGST (see above), even moderate price suppression has a pronounced effect on profitability.

¹⁷ Ibid, p. 4-6.

¹⁸ Ibid, at 'Abbreviations', p 5.

¹⁹ At p. 78 of SEF 679, the Commission state that *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. [emphasis added]*. Rondo assumes the reference to 2024 be a drafting error, given that the investigation period concluded March 2025, and requests that the Commission clarify this point in the final report.

2.5 Profit injury is material

Rondo supports the Commission's finding of material profit injury. The decline in the Australian industry's profit and profitability is consistent with the progressive deterioration in its competitive position as volume declined and prices were suppressed and then depressed. 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 (reduced asset values, reduced return on investment, reduced capacity utilisation and reduced productivity) are consistent with an industry being progressively weakened by sustained exposure to dumped and subsidised imports.

2.6 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 correctly acknowledged the contraction in the LGST market following the peak in residential construction activity in FY2021. While that contraction contributed to lower overall sales volumes, it did 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, whereas imports gained share while the Australian industry lost share.

The Commission's finding that competition among Australian manufacturers did not materially contribute to the injury is equally sound; the parallel decline across producers confirms that the competitive pressure came from outside the Australian industry, namely from dumped and subsidised imports.

2.7 Appropriate rejection of Intex claims

Rondo supports the Commission's assessment of the submissions made by Intex Group International Pty Ltd and the conclusions reached in response to those claims. SEF 679 has given due consideration to Intex's arguments and has, in Rondo's view, correctly found that they do not displace Rondo's representations or the Commission's findings on dumping, subsidisation, material injury and causation.

3. Lesser Duty Rule and Non-Injurious Price

Rondo submits that the Commissioner should recommend that the Minister is not required to apply the lesser duty rule (**LDR**) in this inquiry, on the basis that the Australian industry consists of at least two small-medium enterprises (**SMEs**), namely Bryko Pty Ltd (**Bryko**) and Nashco Holdings Pty Ltd (**Nashco**).

3.1 Legislative framework

The statutory framework for the non-injurious price (**NIP**) requires the Minister to consider the desirability of specifying a lesser amount of duty where such an amount is sufficient to remove injury to the Australian industry (unless an exception applies). Where an exception does apply, the

Minister is not required to give mandatory consideration to the LDR, but retains a discretion to do so.

SEF 679 identifies the circumstances in which the Minister is not required to have regard to the LDR are:²⁰

- 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), because of a particular market situation;
- where the Australian industry in respect of like goods consists of at least two SMEs; or
- where 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.

Of these circumstances, the first has not arisen in this investigation: the Commission has determined the normal value under section 269TAC(2)(c) by reason of section 269TAC(2)(b), rather than under section 269TAC(2)(a)(ii). Nor has the third arisen, given China's WTO notification under Article 25 of the SCM Agreement.²¹

The operative consideration is therefore whether the Australian industry producing like goods consists of at least two SMEs.

3.2 The SME exception is material

Rondo submits that the application of the LDR has a material effect on the level of remedy afforded to the Australian industry in this inquiry. Absent the LDR, the combined dumping and subsidy rate would be 41.8 percent for Kaize and 45.3 percent for uncooperative and all other exporters (after removal of the double count of Program 1).²² The application of the LDR reduces both to a combined effective rate of 37.8 percent. The difference of up to approximately 8 percent represents the level of remedy subject to whether the Minister is required to have regard to the LDR.

The Commission has identified five Australian manufacturers of like goods: Rondo, Studco, Etex, Nashco and Bryko.²³ The Commission preliminarily considers that Rondo, Studco and Etex are not SMEs, and has expressly not determined whether Bryko and Nashco are SMEs.²⁴

If at least two of the five Australian manufacturers are SMEs, the exception in sections 8(5BAA) and (5BAAA) of the Dumping Duty Act applies, and the Minister is not required to apply the LDR. On the evidence in Appendix A to this submission, both Bryko and Nashco are likely to be SMEs.

²⁰ SEF 679, chapter 11.3.

²¹ Ibid, p. 81.

²² Ibid, Table 1 at p. 8.

²³ Ibid, p. 9.

²⁴ Ibid, p. 81.

3.3 The definition of an SME

Neither the statute nor SEF 679 establish the definition of an SME applied by the Commission. Rondo submits that the appropriate definition is that published by the Australian Government in connection with the anti-dumping system through the International Trade Remedies Advisory Service (**the ITRA service**). This service was established to assist SMEs to access the Australian anti-dumping and countervailing system.

The ITRA service defines an SME as an Australian registered business (holding an Australian business number) that has 200 or fewer full-time staff in total; where the business forms part of a group of businesses, the threshold is applied to the combined workforce of the group.²⁵

Rondo submits that this is the relevant basis on which the Commission should assess the SME status of each Australian manufacturer, and requests the Commission to confirm in the final report the definition it applies, should that definition differ from the ITRA service definition.

3.4 Bryko & Nashco confirmed as SMEs

Rondo provides at Confidential Attachments 1 and 2 definitive confirmation that both Bryko and Nashco are SMEs.

Consequently, the Australian industry producing like goods consists of at least two SMEs. The exceptions to the LDR application are therefore relevant, and the Minister is not required to give mandatory consideration to it. Rondo submits that the Commissioner should make such a recommendation to the Minister in this inquiry.

3.5 Implications for steel corner beads and angles (SCBA) and steel battens and furring channels (CSFM)

The confirmation of Bryko's and Nashco's SME status has implications beyond this investigation. In addition to LGST, both Bryko and Nashco manufacture goods that were the subject of recently completed anti-dumping investigations in which the Commissioner assessed the NIP and applied the LDR.

Steel corner beads and angles (SCBA)

Bryko and Nashco each manufacture steel corner beads and angles, or like goods. In investigation 677, the Commissioner applied the LDR, and measures were imposed at an effective rate of 32.3 percent, rather than at the full combined dumping and subsidy margin of approximately 56 percent. At that time, the Commissioner had not identified that the Australian industry producing those like goods included at least two SMEs.

²⁵ Australian Government, business.gov.au, "International Trade Remedies Advisory Service (ITRA Service)": <https://business.gov.au/expertise-and-advice/international-trade-remedies-advisory-service> (accessed 18 June 2026).

Steel battens and furring channels (CSFM)

Bryko and Nashco each manufacture steel battens and furring channels, or like goods. In that investigation, the Commissioner likewise applied the LDR, and measures were imposed at an effective rate of 14.5 percent, rather than at the full margin of approximately 132 percent. Again, the SME composition of the Australian industry was not recognised.

Implications

In each case, the LDR was applied on the basis that the Australian industry did not consist of at least two SMEs. The confirmation now provided establishes that this basis was incorrect, with the consequence that the Minister was not required to give mandatory consideration to the LDR.

Rondo acknowledges that, even where that exception applies, the Minister retains a discretion to apply a lesser amount of duty. Rondo submits, however, that the confirmation of Bryko's and Nashco's SME status is material information bearing on the basis upon which the LDR was applied in those cases, and that those decisions warrant reassessment.

Accordingly, Rondo requests that the Commissioner clarify, in the final report to this investigation, what action it proposes to take given the confirmed SME status of Bryko and Nashco in respect of the measures previously imposed in the SCBA and CSFM cases.

FOR AND ON BEHALF OF

Rondo Building Services Pty Limited

THE AUSTRALIAN INDUSTRY APPLICANT