Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

TERMINATION REPORT NO 679

ALLEGED SUBSIDISATION OF

LIGHT GAUGE STEEL STUD AND TRACK

EXPORTED BY

WENAN KAIZE BUILDING MATERIAL CO., LTD

FROM THE PEOPLE'S REPUBLIC OF CHINA

17 August 2026

CONTENTS

ABBREVIATIONS

$	Australian dollars
ABC Depot	Australian Building & Construction Depot Pty Ltd
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
the Act	*Customs Act 1901* (Cth)
ADA	Anti-Dumping Agreement
ADN	Anti-Dumping Notice
Aoshi	Guangzhou Aoshi Building Materials Co., Ltd
the applicant	Rondo Building Services Pty Ltd
AUD	Australian dollars
Bryko	Bryko Pty Ltd
China	the People's Republic of China
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTMS	cost to make & sell
CTS	cost to sell
Customs Direction	*Customs (Extensions of Time and Non-cooperation) Direction 2015*
Dumping Duty Act	*Customs Tariff (Anti-Dumping) Act 1975* (Cth)
EPR	electronic public record
Etex	Etex Australia Pty Ltd (branded Siniat)
FOB	free on board
FY	financial year (1 April – 31 March)
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
GAAP	generally accepted accounting principles
GOC	Government of China
HIA	Housing Industry Association
Hongmu	Hongmu (Guangzhou) Building Products Co., Ltd
HRC	hot-rolled coil
Hume	Hume Plasterboard Pty Ltd
ICD	interim countervailing duty
IDD	interim dumping duty
injury period	the period commencing 1 April 2021
Intex	Intex Group International Pty Ltd
investigation period	the period 1 April 2024 to 31 March 2025
INV 658	Investigation 658 concerning HRC exported to Australia from China
Kaize	Wenan Kaize Building Material Co., Ltd

LGST	light gauge steel stud and track
LTAR	less than adequate remuneration
the Manual	*Dumping and Subsidy Manual*
MCC	model control code
MEPS	MEPS International Ltd
the Minister	the Minister for Industry and Innovation and Minister for Science
Nashco	Nashco Holding Pty Ltd
OECD	Organisation for Economic Cooperation and Development
PAD	preliminary affirmative determination
PAD Direction	*Customs (Preliminary Affirmative Determinations) Direction 2015*
PMS	particular market situation
RBA	Reserve Bank of Australia
REP 590	*Anti-Dumping Commission Report No 590*
REP 611	*Anti-Dumping Commission Report No 611*
REP 644	*Anti-Dumping Commission Report No 644*
REP 645	*Anti-Dumping Commission Report No 645*
REP 658	*Anti-Dumping Commission Report No 658*
REQ	response to the exporter questionnaire
RGQ	response to the government questionnaire
RIQ	response to the importer questionnaire
RMB	Chinese Renminbi
ROI	return on investment
Rondo	Rondo Building Services Pty Ltd
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SEF	statement of essential facts
SIE	state-invested enterprise
SOE	state-owned enterprise
Studco	Studco Australia Pty Ltd
Tariff Act	*Customs Tariff Act 1995* (Cth)

1 SUMMARY

1.1 Introduction

The Commissioner of the Anti-Dumping Commission (the Commissioner) has terminated the investigation into alleged subsidisation of light gauge steel stud and track (LGST, or the goods) exported to Australia from the People's Republic of China (China) by Wenan Kaize Building Material Co., Ltd (Kaize).

The investigation was initiated following an application lodged by Rondo Building Services Pty Ltd (Rondo, or the applicant), seeking the publication of a dumping duty notice and a countervailing duty notice in respect of LGST exported to Australia from China. Rondo alleges that the Australian industry has suffered material injury caused by dumped and subsidised goods exported from China.

The Commissioner found that countervailable subsidies have been received in respect of the goods exported to Australia from China by Kaize. However, the subsidy margin in respect of goods exported by Kaize did not at any time during the investigation period exceed the 'negligible level' of countervailable subsidy.[1] Accordingly, based on the findings set out in this report, the Commissioner has terminated the investigation relating to the application for publication of a countervailing duty notice (subsidy investigation) in respect of the goods exported by Kaize.

This termination report sets out the facts and findings on which the Commissioner based his decision to terminate the subsidy investigation in respect of goods exported by Kaize. A public notice of the Commissioner's termination decision was published on the Anti-Dumping Commission (the commission) website on 17 August 2026 (Anti-Dumping Notice (ADN) No 2026/108).[2]

1.1.1 Dumping investigation

This termination decision does not impact the ongoing dumping investigation or the preliminary affirmative determination (PAD) the Commissioner made on 25 May 2026 in relation to dumping. Imports of the goods from China are still subject to securities in respect of any interim dumping duty (IDD) that may become payable (refer Chapter 2.4 of this report for further details).

A separate report relating to the dumping investigation containing the Commissioner's recommendations to the Minister concerning the publication of a dumping duty notice in respect of *all exporters* and a countervailing duty notice in respect *of uncooperative and all other exporters* is due by 17 August 2026.

[1] Section 269TDA(16) of the *Customs Act 1901*. As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is 2%.

[2] Available on the ADN page of the commission's website.

1.2 Conduct of the investigation

Division 2 of Part XVB of the *Customs Act 1901* (the Act)[3] 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.

Section 269TDA of the Act sets out the circumstances in which the Commissioner must terminate an investigation. Section 269TDA(2) of the Act sets out that the Commissioner must terminate an investigation relating to an application for a countervailing duty notice if he is satisfied that:

- no countervailable subsidy has been received in respect of any of the goods the subject of the application for a countervailing duty notice, or
- a countervailable subsidy has been received in respect of some or all of those goods but it never, at any time during the investigation period, exceeded the negligible level of countervailable subsidy (in this case, the negligible level of countervailable subsidy is 2%).

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

Further information on the conduct of this investigation is included in Chapter 2 of this report.

1.2.1 Application and initiation of investigation

On 12 May 2025, Rondo lodged an application seeking the publication of a dumping duty notice and a countervailing duty notice in respect of the goods exported to Australia from China.

The Commissioner considered the application and decided not to reject the application. Public notification of initiation of the investigation was made in ADN No 2024/053,[4] which was published on 30 June 2025.

1.2.2 Preliminary affirmative determination

On 25 May 2026, 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.[5]

Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken by the Commonwealth in respect of any IDD that became payable in respect of the goods exported from China and entered for home consumption in Australia on or after 26 May 2026.

As outlined in the PAD, the Commissioner did not make a finding in relation to countervailable subsidies at that time, noting the absence of a response to the

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[3] All legislative references in this report are to the *Customs Act 1901* (Cth) (the Act), unless otherwise specified.

[4] ADN 2025/053 refers.

[5] ADN 2026/072 refers.

government questionnaire and further analysis to consider whether the goods have been exported to Australia from China at subsidised prices. No securities were therefore taken in respect of interim countervailing duty (ICD) that may become payable.

1.2.3 Statement of essential facts (SEF)

The Commissioner published statement of essential facts 679 (SEF 679) on 17 June 2026. Countervailable subsidies were further examined in SEF 679, and the Commissioner was satisfied that, during the investigation period the subsidy margin in respect of goods exported by Kaize was negligible and, accordingly, the Commissioner proposed to terminate the subsidy investigation in respect to Kaize subject to any submissions in response to the SEF.

The Commissioner was also satisfied that the subsidy margin in respect of goods exported by *uncooperative and all other exporters* from China was not negligible.

The Commissioner therefore remained satisfied that it was necessary to require and take securities to prevent material injury to the Australian industry while the investigation continues. Accordingly, the Commissioner revised the level of securities required and taken under section 42 of the Act to reflect both the updated level of dumping securities and the inclusion of countervailing securities in respect of exports of LGST from China other than by Kaize, as outlined in the SEF.[6]

1.3 Summary of findings

The following sections summaries the findings that informed the Commissioner's decision to terminate the subsidy investigation in respect of Kaize. The findings are detailed throughout this report.

1.3.1 Subsidy investigation (Chapter 3)

The Commissioner found that the goods exported to Australia from China by Kaize were subsidised. However, the subsidy margin in respect of those goods did not exceed the 'negligible level' of countervailable subsidy. The Commissioner also found that the subsidy margin in respect of goods exported by uncooperative and all other exporters from China was not negligible (Table 1 refers).

Exporter	Subsidy margin
Wenan Kaize Building Material Co., Ltd	0.00002%
Uncooperative and all other exporters	4.5%

Table 1: Subsidy margins

1.3.2 Termination of subsidy investigation (Chapter 4)

The Commissioner is satisfied that countervailable subsidies have been received in respect of the goods exported to Australia from China by Kaize, however, these subsidies never, at any time during the investigation period, exceeded the 'negligible level' of countervailable subsidy. Accordingly, in accordance with section 269TDA(2)(b)(ii) of the Act, the Commissioner determined that the subsidy investigation be terminated in respect of Kaize.

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[6] SEF 679 – Chapters 12 and 13 refer.

2 BACKGROUND

2.1 Legislative framework

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.

2.2 Application and initiation

On 30 June 2025, the Commissioner initiated an investigation into the alleged dumping and subsidisation of LGST exported to Australia from China, following an application lodged by Rondo. In its application, Rondo alleges that the Australian industry producing like goods has suffered material injury caused by dumped and subsidized goods exported to Australia from China.

The Commissioner considered the application in accordance with section 269TC of the Act and was satisfied that:

- the application complies with the requirements of section 269TB(4) of the Act, in that the application was lodged in writing, was lodged in an approved form, contained such information as the form requires, was signed in the manner indicated in the form, was supported by a sufficient part of the Australian industry, and was lodged in the approved manner
- there is an Australian industry in respect of like goods, and
- that there appears to be reasonable grounds for the publication of a dumping duty notice and a countervailing duty notice in respect of the goods the subject of the application.

Accordingly, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping and subsidisation of the goods exported to Australia from China. Details relating to the consideration of Rondo 's application are contained in *Consideration Report No 679* (CON 679).[7]

Public notification of initiation of the investigation was made in ADN No 2025/053,[8] which was published on 30 June 2025.

2.2.1 The goods the subject of the application

Table 2 outlines the goods described in the application.

Full description of the goods, as subject of the application
Light gauge steel stud and track, metallic coated, whether or not containing alloys, with a profile of up to and including 170 millimetres in width by 170 millimetres in height, and with a base metal thickness of up to and including 0.69 millimetres.

[7] CON 679 refers.

[8] ADN 025/053 refers.

Further information
LGST are framing components used to support internal non-load-bearing building walls and partitions. LGST are cold-formed products, further worked from either zinc coated (galvanised) steel or aluminium zinc coated steel as the raw material (including all variants thereof, for example whether or not containing magnesium or other alloys). LGST comprise both the vertical (stud) and horizontal (track) components. Steel framing components are categorised by gauge (thickness) and usage, being either: • LGST, as non-structural light gauge products (common in 'drywall' applications), or • structural (medium and heavy gauge) LGST (common in high-rise buildings and exterior walling). This application covers LGST, of varying steel grades, and whether or not including service holes. The applicant considers that the Australian manufactured like goods are fully substitutable with all types of imported LGST.
Exclusions
Medium and heavy gauge steel stud and track, noggings, and 'flexible' track components are excluded from this application.

Table 2: The goods description

2.3 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of 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	**- Angles, shapes and sections, not further worked than cold-formed or cold-finished:**	
7216.61.00	57	-- Obtained from flat-rolled products
7216.69.00	58	-- Other
7216.91.00	59	-- Cold-formed or cold-finished from flat-rolled products
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	52	--hot rolled
7308.90.00	53	-- Plated or coated with zinc or with aluminium-zinc alloys, of a thickness less than 1.2 mm
7308.90.00	55	-- Other
7308.90.00	56	-- other

Table 3: General tariff classification for the goods

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods the subject of the application. Please refer to the goods description in Table 2 for authoritative detail regarding the goods the subject of the application.

2.3.1 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.[9]

Table 4 below outlines the commission's MCC structure for this investigation.

Category	Sub-category	Identifier	Sales data	Cost data
Stud / Track	Stud	S	Mandatory	Mandatory
	Track	T		
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	≤ 100 g/m²	1	Mandatory	Mandatory
	> 100 g/m² – ≤ 200 g/m²	2		
	> 200 g/m2 – ≤300 g/m2	3		
	> 300 g/m²	4		
Base Metal Thickness (BMT)	≤0.45mm	1	Mandatory	Mandatory
	>0.45mm – ≤ 0.55mm	2		
	>0.55mm – ≤ 0.69mm	3		
Width	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		
Height	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		

Table 4: MCC for Investigation 679

[9] ADN 2025/053 and chapter 14 of the *Dumping and Subsidy Manual* (December 2021) (The Manual) refer.

2.4 Preliminary affirmative determination and securities

In accordance with section 269TD(1) of the Act, 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,[10] 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.[11]

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, 29 August 2025)[12] 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 injury to an Australian industry occurring while the investigation continues.[13]

On 25 May 2026, 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.[14] Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation 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 26 May 2026.

At that time, 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 to Australia from China.

2.5 Statement of essential facts

As required by section 269TDAA(1) of the Act, the Commissioner must, within 110 days after the initiation of an investigation or such longer period as is allowed under section 269ZHI(3) of the Act,[15] place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.

On 17 June 2026, the Commissioner published a SEF setting out the facts on which the Commissioner proposed to base their recommendations to the Minister.

In formulating the SEF, the Commissioner had regard to the following:

- Rondo's application and supporting application evidence

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[10] Section 269TD(1)(a) of the Act.

[11] Section 269TD(1)(b) of the Act.

[12] Section 269TD(1) of the Act.

[13] Section 269TD(4)(b) of the Act.

[14] ADN 2026/072 refers.

[15] The SEF was originally due to be published on or before 18 October 2025. The commission obtained extension of time for the due date for the SEF and final report.

- importer and exporter questionnaire responses received from participating importers and exporters
- Australian industry questionnaire responses from Etex Australia Pty Ltd (Etex) and Studco Australia Pty Ltd (Studco)
- information obtained during verification visits to Rondo,[16] Etex[17] and Studco[18]
- information obtained during verification visits to Hume Plasterboard Pty Ltd (trading as Hume Building Products) (Hume)[19] and Intex Group International Pty Ltd (Intex)[20], both importers of the goods from China
- submissions received concerning the publication of a dumping duty notice and countervailing duty notice
- information considered from the recent Investigations, *677 - Steel corner beads and angles*[21] and *653 - Ceiling steel framing members*[22]
- data from the Australian Border Force (ABF) import database
- data obtained from independent third-party data providers as specified in the SEF
- the commission's previous findings with respect to the steel industry and markets in China as specified in the SEF, and
- all other relevant matters and information as outlined in the SEF.

As discussed in section 1.2.3 of this report, at the time of publishing the SEF, alleged countervailable subsidies were further examined, and the Commissioner was preliminarily satisfied with that, during the investigation period the subsidy margin in respect of goods exported by Kaize was negligible and, accordingly, the Commissioner proposed to terminate the subsidy investigation in respect to Kaize subject to any submissions in response to the SEF.

The Commissioner was also preliminarily satisfied the subsidy margin in respect of goods exported by uncooperative and all other exporters from China were not negligible. The Commissioner remained satisfied that it was necessary to require and take securities to prevent material injury to the Australian industry while the investigation continues.

Accordingly, the Commissioner revised the level of securities required and taken under section 42 of the Act to reflect both the updated level of dumping securities and the inclusion of countervailing securities, as discussed in the SEF.

Submissions in response to the SEF were due by 7 July 2026. The commission has not received any submission concerning the subsidisation of the goods exported to Australia from China.

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[16] EPR 679 document 20 refers.

[17] EPR 679 document 25 refers.

[18] EPR 679 document 27 refers.

[19] EPR 679 document 26 refers.

[20] EPR 679 document 22 refers.

[21] REP 677 refers.

[22] REP 653 refers.

2.6 Final report

Section 269TEA(1) of the Act 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*.

As the Commissioner is terminating the subsidy investigation in respect of the goods exported from China by Kaize, the Commissioner has not provided the Minister with a final report concerning the publication of a countervailing duty notice in respect of Kaize.

The Commissioner will prepare a separate report on the dumping and countervailing investigation, setting out his recommendations concerning the publication of a dumping duty notice in respect of *all exporters* from China and a countervailing duty notice in respect of *uncooperative and all other exporters* from China.

2.7 Conduct of the investigation

2.7.1 Investigation period and injury period

At initiation of the investigation, the Commissioner established an investigation period of 1 April 2024 to 31 March 2025. 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 April 2021 to assess the economic condition of the Australian industry and to assess potential injury factors.

2.7.2 Previous cases

There have been no prior investigations relating to LGST.

2.7.3 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 to, 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 November 2025 to verify the accuracy, completeness and relevance of Rondo's sales and cost data, including other information provided in Rondo's application. Rondo's verification report is published on the EPR.[23]

The commission also sent Australian industry member market questionnaires to Etex and Studco, being the other main Australian manufacturers that produce like goods. Etex and Studco provided a response and the commission conducted verification of the information submitted in December 2025, to verify the accuracy, completeness and relevance of Etex

[23] EPR 679 – document 20 refers

and Studco's sales and cost data. Etex and Studco's verification reports are published on the EPR.[24]

During the course of the investigation, the commission became aware that two other entities, Bryko Pty Ltd (Bryko) and Nashco Holding Pty Ltd (Nashco), are also Australian manufacturers of the goods. The commission subsequently issued Australian industry member market questionnaires to both companies. Bryko and Nashco did not respond to the commission's request for information.

2.7.4 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 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 Hume and Intex, importers and distributors of the goods for use in commercial and residential construction in Australia. 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 and Hume's premises to verify the accuracy, completeness and relevance of the information in their RIQs. Verification reports outlining the key findings from these verifications are available on the EPR.[25]

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.

2.7.5 Exporters

Following the initiation of this investigation, the commission contacted and forwarded questionnaires to multiple interested parties, including entities or persons that 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. No responses were received by the due date of 6 August 2025; however, the following parties requested an extension of time to submit a response to the exporter questionnaire.

- Guangzhou Aoshi Building Materials Co., Ltd (Aoshi)
- Hongmu (Guangzhou) Building Products Co., Ltd (Hongmu)
- Kaize

Each party was granted an extension to respond to the exporter questionnaire by 3 September 2025.

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[24] EPR 679 - document 25 and 27 refers

[25] EPR 679 – document 22 and 26 refers

Upon assessment of the responses from the above three exporters, the commission identified several deficiencies, and each party addressed these deficiencies in their subsequent responses by the commission’s deadline of 31 October 2025.

The commission's assessment of the information provided by the above three entities indicates that Kaize exported the goods to Australia during the investigation period through two intermediaries, Aoshi and Hongmu. Aoshi and Hongmu acted on behalf of their related importer, Hume. In their response to the exporter questionnaire, Aoshi and Hongmu declared that their selling prices to Hume do not represent the market price and, as such, their prices are considered non-arm’s length.

For these reasons, goods exported to Australia by Aoshi and Hongmu cannot be examined for the purpose of assessing whether dumping has occurred under section 269TACB(1) of the Act.

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 Hume’s verified sales data. The commission conducted an onsite verification of Hume’s RIQ. As outlined above, the commission’s verification report is available on the EPR.[26]

2.7.6 Cooperative exporters

The commission examined the exports of Kaize. After having regard to section 269T(1) of the Act and the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Customs Direction), the Commissioner has determined that this exporter from China is a cooperative exporter for the purposes of this investigation.

2.7.7 Uncooperative exporters

After having regard to section 269T(1) of the Act and the Customs Direction, the Commissioner has determined that all exporters from China that did not provide information requested of them through a response to the exporter questionnaire (REQ) are uncooperative exporters for the purposes of the dumping investigation.

The Commissioner considered the Customs Direction and section 269T of the Act 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 2025/053, being 6 August 2025,[27] or
- provided a REQ within the legislated period that did not provide information relevant to the case.

The Commissioner determined that, other than Kaize, all other exporters of the goods from China are ‘uncooperative exporters’ for the purposes of this investigation.

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[26] Ibid., p.15

[27] This is the relevant legislated period.

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

- 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.

Section 8 of the Customs Direction states 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.

2.7.8 Government of China

At initiation, the commission sent a questionnaire to the 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.

3 SUBSIDY INVESTIGATION

3.1 Finding

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

The subsidy margins in respect of the goods exported to Australia from China during the investigation period are summarised in Table 5.

Exporter	Subsidy margin
Kaize	0.00002%
Uncooperative and all other exporters	4.5%

Table 5: Subsidy margins

3.2 Relevant legislation

Under section 269TJ(1)(a) of the Act, one of the matters that the Minister must be satisfied of to publish a countervailing duty notice is that a 'countervailable subsidy' has been received in respect of the goods.

Section 269T(1) of the Act defines a 'subsidy' as a financial contribution or income or price support by a government, public body or private body entrusted or directed by the government or public body to carry out a government function, and the financial contribution or income/price support must confer a benefit, whether directly or indirectly, in relation to the goods exported.

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

Without limiting the definition of 'subsidy' in section 269T(1) of the Act, 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.[28]

In accordance with section 269TAAC(1) of the Act, a subsidy is a 'countervailable subsidy' if it is specific. Section 269TAAC(2) of the Act outlines the circumstances in which a subsidy is specific.

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.

[28] Section 269T(2AA) of the Act.

3.2.1 Determination of countervailable subsidy if non-cooperation by relevant entities

Section 269TAACA(1) of the Act 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 and may make such assumptions as the Commissioner or Minister (as the case may be) considers reasonable.

3.3 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:

- information provided by Rondo in its application, and
- information provided by Kaize in their responses to the exporter questionnaire.

At the initiation of this investigation, the commission provided the GOC (being an entity covered by section 269TAACA(2)(b)) of the Act with a questionnaire which included questions relating to the subsidy programs identified in Rondo's application. The commission has not received a response to this questionnaire from the GOC.

For uncooperative and all other exporters of the goods from China, the commission therefore relied on the findings in investigations 653 and 677, which assessed the subsidy programs identified in REP 611, REP 644 and REP 645 to determine whether the programs alleged by the Australian industry in its application may apply to the production, manufacture or export of LGST from China. The commission also considered publicly available information to assess whether the subsidy programs identified in REP 611 remain active and continue to apply to the goods.

3.4 Consultation with the Government of China

On 4 June 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 industry, with the aim of arriving at a mutually agreed solution. The commission did not receive a response from the GOC.

On 30 June 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 from the GOC to this questionnaire.

3.5 Investigated subsidies

3.5.1 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*[29] (REP 590) into hollow structural sections from China, Korea, Malaysia and Taiwan, also apply to LGST exported from China.

Rondo claimed that producers of LGST 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 LGST.

Rondo claims that the countervailable subsidy programs identified in the Chinese steel industry also apply to Chinese exporters of LGST. Rondo argued that the provision of HRC, coking coal and coke at less than fair market value in REP 611 and HRC at less than adequate remuneration in REP 590, support a finding that galvanised steel was similarly provided at less than fair market value or less than adequate remuneration, as an upstream input to LGST.

3.5.2 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:

- information provided by Rondo in its application
- information submitted by Kaize in REQ
- REP 653 relating to certain ceiling steel framing members (CSFM) from China
- REP 677 relating to steel corner beads and angles (SCBA) from China
- REP 644 and TER 644 relating to certain interchangeable bolted clipping system brackets (brackets) from China
- REP 645 and TER 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
- REP 590 relating to continuation inquiry into HSS exported to Australia from China, Korea, Malaysia, Taiwan
- REP 658 relating to HRC exported to Australia from China.

3.5.3 Subsidies previously found to be countervailable

The commission has recently completed subsidy investigations into the following goods exported to Australia from China:

- CSFM (REP 653)
- SCBA (REP 677)

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[29] REP 590 refers

- Brackets (REP 644)
- Clip heads (REP 645).

The commission has found in this investigation that subsidy programs found in the previous investigations also apply to LGST. This is because LGST is made using galvanised HRC. To conclude, subsidy programs that benefit Chinese manufacturers of HRC would also benefit Chinese manufacturers of LGST.

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 applicant in its application, other than subsidies under 'Program 20[30] - hot rolled steel provided by government at less than fair market value'.[31]

Relevance to INV 679

In this current investigation, Rondo has claimed that the commission's previous findings of countervailable subsidy programs from REP 590 also apply to LGST 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 LGST. The commission's assessment of Program 20 is at **Appendix A**.

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

Program no	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

30 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.

31 EPR 644, Termination report, p 16, EPR 645, Termination report, p 16.

6	Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income	Tax	Yes

Table 6: REP 644 and REP 645 subsidy programs

Although HRC is the raw material input that goes into CSFM, SCBA, HSS, brackets, clip heads and LGST, the commission considers that LGST and CSFM, SCBA, brackets and clip heads are more comparable given 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 CSFM, SCBA, brackets and clip heads would also be available to exporters of LGST from China.

3.5.4 Assessment of previously identified programs in REP 611

The commission has verified Australia industry members (Rondo, Etex and Studco) 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.

In REP 611, the commission identified 37 programs listed in Table 7 are applicable to zinc coated (galvanised) steel exported from China. In its application, Rondo alleged that the programs applying to zinc coated (galvanised) steel from China will equally apply to Chinese exporters of LGST. Rondo claimed that producers of LGST from China are likely to be in receipt of the same or similar benefits.

Program no	Program name	Program type[32]	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

[32] 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	Program name	Program type[32]	Countervailable subsidy (Yes/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
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

Program no	Program name	Program type[32]	Countervailable subsidy (Yes/No)
36	Jinzhou District Research and Development Assistance Program	Grant	Yes
37	Enterprise support fund	Grant	Yes

Table 7: Subsidy programs considered in REP 611

For each of the programs identified in Table 7, 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 14 (highlighted in 'blue' in Table 7) out of the 37 programs from REP 611 are relevant to LGST. 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 LGST 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 LGST. 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 are relevant because subsidies applying to galvanised steel may also apply to other products made from galvanised steel, such as LGST.

The commission also examined the programs identified by the GOC in its notifications to the WTO.[33] The commission's assessment of subsidy programs is detailed in **Appendix A** of this report.

3.6 Calculation of subsidy margins

3.6.1 Kaize

The commission found that Kaize received a benefit, directly and indirectly, in respect of the goods it exported to Australia during the investigation period under subsidy program 6 identified in Table 6 - *Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income*. Based on the information provided by Kaize in REQ, the commission has calculated a subsidy margin in respect of the goods exported by Kaize of **0.00002%.**

The commission's calculation of the subsidy margin in respect of the goods exported to Australia by Kaize from China is at **Confidential Attachment 1**.

[33] WTO G/SCM/N/372/CHN, 27 August 2021

3.6.2 Uncooperative and all other exporters

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

The commission has found in a manner consistent with the findings of REP 653 and REP 677, as outlined in chapter 3.3 of this report.

The commission found that the 6 subsidy programs countervailed in REP 644 and REP 645 and presented at Table 6 apply to uncooperative and all other 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 LGST from China. The commission has therefore included these programs in its subsidy calculation for this investigation.

The commission also preliminarily considers 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 and are also applicable to uncooperative and all other exporters of the goods.

3.6.3 Subsidy 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% or where the volume is less than 4% of the total Australian import volume.

Section 269TDA(2) of the Act 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 5, the Commissioner is satisfied that LGST 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.

3.6.4 Subsidy margin

As stated in chapter 2.7.7 of this report, the commission has determined that, other than Kaize, all other exporters from China are uncooperative exporters.

The total calculated subsidy margin applicable to exports by uncooperative and all other exporters from China is **4.5%**. The commission's countervailable subsidy calculations for uncooperative and all other exporters from China is at **Confidential Attachment 1**.

4 TERMINATION OF SUBSIDY INVESTIGATION

Section 269TDA(2)(b)(ii) of the Act provides that the Commissioner must terminate a countervailable subsidy investigation, in so far as it relates to an exporter of the goods, if there has been a 'countervailable subsidy' received in respect of some or all of the exported goods but it never, at any time during the investigation period, exceeded the 'negligible level' of countervailable subsidy under section 269TDA(16) of the Act.

As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is 2%.

The Commissioner found that countervailable subsidies have been received in respect of some or all of the goods exported by Kaize, however, these subsidies never at any time during the investigation period exceeded the negligible level (2%) of countervailable subsidy. Accordingly, under section 269TDA(2) of the Act, the Commissioner has terminated the subsidy investigation in respect of the goods exported to Australia from China by Kaize.

The Commissioner also found that countervailable subsidies have been received in respect of the goods exported by *uncooperative and all other exporters* were not negligible. Accordingly, the Commissioner will recommend a countervailing duty notice in respect of uncooperative and all other exporters from China.

The decision to terminate the subsidy investigation in relation to Kaize does not impact on the ongoing dumping investigation. The Commissioner is due to report his findings dumping and countervailing investigation to the Minister by 17 August 2026, setting out his recommendations concerning the publication of a dumping duty notice in respect of *all exporters* from China and a countervailing duty notice in respect *of uncooperative and all other exporters* from China.

5 APPENDICES AND ATTACHMENTS

Appendix A	Assessment of subsidies
Confidential Attachment 1	Subsidy margin calculations

APPENDIX A - ASSESSMENT OF ALLEGED SUBSIDIES

A 1 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 chapter 3.5 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 the GOC at less than fair market value'.

The commission considers that LGST, brackets and clip heads 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 clip heads would also not be available to exporters of LGST 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 clip heads would also be available to exporters of LGST from China. This is because the commission considers that brackets, clip heads and LGST 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. The commission also considered publicly available information to assess whether the subsidy programs identified in REP 611 remain active and continue to apply to the goods.

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.

A 2 Legislative framework

A 2.1 Definition of 'subsidy' and 'countervailable subsidy'

Section 269T(1) of the Act 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.[34]

Without limiting the definition of 'subsidy' in section 269T(1) of the Act, 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.[35] Section 269TAAC of the Act defines a 'countervailable subsidy' as follows:

(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.

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[34] Section 269TACC of the Act sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

[35] Section 269T(1)(2AA) of the Act.

(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.

A 2.2 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.[36]

[36] The Manual (December 2021).

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)*.[37] In that case, the Appellate Body referred to the following three indicia which may assist in assessing whether an entity was a public body vested with, or exercising, government authority:

- 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.[38]

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.

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[37] DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

[38] 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].

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 direction. The test is satisfied where the private body is a proxy by government to give effect to financial contributions.

A 3 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.[39] As noted in section B1 of this appendix, some of these programs also applied to exporters of HSS.[40] As the commission did not find evidence that the programs assessed in REP 590 relating to HSS apply to exporters of brackets and clip heads following the recently competed investigations into these goods, the commission has not included these programs in the assessment of LGST.

A 3.1 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).[41]

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.[42]

[39] Review No 521 concerns a review of measures relating to zinc coated (galvanised) steel from China, India, Korea, Malaysia, Taiwan and Vietnam.

[40] REP 590 refers

[41] 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.

[42] 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

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 chapter 3.4 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 and SIEs in the steel industry, and questions concerning the ownership of steel producers in China. The GOC did not complete this questionnaire.

Furthermore, as discussed in chapter 2.8.5 of this report, Kaize provided responses to the exporter questionnaire relating to the subsidy programs. The commission has considered Kaize’s information to calculate its subsidy margin.

The commission observes that galvanised steel constitutes approximately 96% of the overall costs of manufacture of the goods.[43] 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.

For uncooperative and all other exporters, the commission has 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, the commission considers that it is reasonable to assume that Chinese exporters of the goods are also in receipt of these subsidies.

In its submission of 11 March 2026, Intex provided information it considered relevant to the nature of Chinese entities within its supply chain, specifically claiming that its Chinese supplier acquires steel coils from a privately held galvanising company, and that the galvanising company acquires the steel coils from a privately held steel making company. Intex submitted that on that basis, Intex’s supplier of goods is best classified as a privately held, family-controlled enterprise, not a state-invested enterprise.

In its submission of 24 March 2026, Rondo submitted that the commission should not have regard to the information submitted by Intex regarding its supplier, on the basis that the concerned Chinese supplier did not provide a REQ.

On 11 March 2026, the commission sought further information from Intex to consider its claims regarding the information submitted in relation to Intex’s supplier. Intex has not responded to the commission’s request.

Details of the subsidy margin calculations for uncooperative and all exporters from China are at **Confidential Attachment 7.**

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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.

[43] The proportion of galvanised steel was estimated based on the data from the dumping margin assessment.

A 3.2 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 LGST in China are not fully integrated producers producing both the galvanised coil and the goods. Based on information submitted by Kaize in REQ and open source research and considering 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 LGST 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.

A 3.3 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 noted that Kaize purchased galvanised steel from local manufacturers. The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation.

Furthermore, 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.

A 3.4 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.