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PUBLIC RECORD VERSION

March 29, 2012

The Director
International Trade Remedies Branch
Australian Customs & Border Protection Service
Customs House
Canberra, ACT 2601

Dear Sir,

Reference: REPORT No 177 - HSS Investigation

This submission is presented on behalf of the following Australian importers of the GUC and deals with the considerations of both CAUSALITY and the PUBLIC INTEREST in respect to the alleged Dumped imports of certain ERW welded pipes from countries named by the one Australian producer, Onesteel Australian Tube Mills Pty Ltd (ATM).

The *Australian Importers are:



* Names of Importers

The importers are interested parties and note that the SEF will now be placed on the public record no later than 23RD April 2012.

The importers named in this submission clearly understand that ACBPS has no option but to accept a compliant application from a local producer that can demonstrate the required "industry standing" and which only needs to provide so termed reasonable but unsubstantiated information on the competitive behavior of targeted import sources regardless of how often this particular applicant engages in strategic Anti-Dumping Actions to soften import competition.

Yours truly

A handwritten signature in dark ink, appearing to read 'M J Howard', written in a cursive style.

M J Howard – Representative

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SUBMISSION

to

AUSTRALIAN CUSTOMS

on

REPORT NO. 177

being

**CURRENT INVESTIGATION
OF
CERTAIN IMPORTED HSS
FROM
SELECTED COUNTRIES THAT EXCLUDE
VIETNAM, JAPAN**

MARCH 2012

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- Introduction** (i) The contributors to this submission respectfully request the ACBPS to urgently clarify with the applicant, ATM-Onesteel, what goods ATM actually and physically manufactures of those goods included in the current GUC, namely :
- What are the reality limitations on wall thickness and dimension of its non circular range of goods included in the GUC, and
 - In respect of Circular goods, what is the factual position on the commercial availability of HDGP and CHS having a wall thickness of less than 1.6mm from ATM's local production.
- (ii) Based on information provided by experienced personnel operating in this product sector, our understanding is that on non circular product, being the RHS and SHS range, ATM cannot physically produce product with a wall thickness exceeding 6mm nor can it physically produce product with a perimeter exceeding 800mm.
- (iii) Product of those thicknesses and dimensions are included in the GUC from the nominated countries whilst ATM is an importer of those goods from "Maruichi" of Japan, which is not a nominated country.
- (iv) It is public knowledge that ATM and "Maruichi" have a strategic alliance and that an affiliate company of "Maruichi", namely Sunco of Vietnam, is an exclusive supplier of HDGP to ATM. Vietnam is not a nominated country in this investigation.

- (v) Given the fact that neither Japan nor Vietnam are nominated countries for the GUC, and our understanding that goods currently captured in the GUC from those countries nominated by ATM do include those goods that ATM cannot, or is unwilling to manufacture, we believe affected third party importers and exporters have an entitlement to know the reality of ATM's manufacturing capability on a truly commercial and customer focused basis.
- (vi) Our opinion is that it would constitute an abuse of due process if in fact measures are imposed on goods from the nominated countries being on those goods that ATM is importing because it is incapable or unwilling to make them locally
- (vii) We also invite the ACBPS attention to the recent announcement by Onesteel that it is closing its Oil and Gas Pipe production at its Port Kembla facility from end of May 2012 .

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CONFIDENTIAL ATTACHMENT NO.1

Outline of Market Size and Composition for FY 07/08

The Intentions This contribution is submitted with the express intentions of it being placed on the public record pre the publication of the ACBPS SEF by/on 23 April 2012 and to provide the applicant, and its consultant, the opportunity to challenge any of the "numbers", facts or opinions contained in this submission.

1. Recommendations

- 1.1 **Confidential Attachment No. 1** being a "market" sourced outline of the relevant market size and composition for FY 08 is the basis for our following recommendation on HDGP.
- 1.2 Year 2007/2008 was selected because it is the start period for the relevant ACBPS Injury Analysis.
- 1.3 The ACBPS will be acutely aware of the fact from its previous Investigation on these goods that 2007/2008 experienced unprecedented demand and ACBPS' previous reports clearly evidence that the applicant ATM-Onsteel could not supply their domestic customer requirements for the period up to September 2008.
- 1.4 Re subsequent years the universally acknowledged GFC which "hit" domestic demand from October 2008 had its 'depth' being experienced in calendar year 2009 and no producer in the "HSS" sector could reasonably expect to experience those demand levels enjoyed to September 2008. Logically, market sizes since then have declined.
- 1.5 The FY 08 experience of not being able to obtain supply from ATM-Onsteel would have caused domestic customers to make alternative arrangements for their future supply, especially when ATM is itself an importer.

1.7 Recommendation No. 1

1.7.1. Remove the imports of:- RHS-SHS being those sizes as described in **para (ii) page 3**; all HDGP, and CHS < 1.6mm wt, from the basket of like goods for purposes of determining any causation by the remaining competitive imports on ATM-Onesteel's claimed injury.

- 1.7.2 The contributions to this Submission strongly request the ACBPS to seriously analyse its current "like goods" treatment of non circular (RHS/SHS), certain Circular (CHS) and specifically Hot Dipped Galvanized Pipes (HDGP) in the context of any causation as these "fit for purpose" sectors of the Australian market have, on our understanding, been primarily supplied by imports.
- 1.7.3 ATM-Onesteel has since year 2007/2008 been the only local producer of HDGP and as shown on **Confidential Attachment No. 1** it only supplied 30 per cent of this unique market segment.
- 1.7.4 Since that time the applicant made strategic decisions to further reduce its supply capability of HDGP from local production.
- 1.7.5 The applicant is in fact an importer of both RHS-SHS and HDGP and what has changed is that ATM is no longer a truly commercial local producer of HDGP and its recent claims of producing a substitute product are disingenuous.
- 1.7.6 Having closed its Mayfield HDGP facility in October 2007 – (**Non Confidential Attachment No. 2 refers**) – ATM "mothballed" its "remaining" Acacia Ridge HDGP facility circa August 2011 as confirmed in the ACBPS *Visit Report to ATM-Onesteel (*Public Record Version).

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Throughout our national network of stores, Metaland stocks and supplies structural grade steels sourced from OneSteel and other leading manufacturers. Tubular, universal beams, merchant bar, sheet, plate and mesh are just a few examples of our comprehensive range. And, because we're the metal specialists, we can cut many products in store to your required length and have them delivered direct to site. So to get the job done without the dramas come and see the team at Metaland today.

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If you're looking for a galvanized pipe that'll get the job done, look no further than Metaland's General Purpose Hot Dipped Galvanized pipe. The high quality 300g/m² Hot Dipped Galvanized (HDG) coating virtually eliminates:

- Time cracking jobs
- Time and trouble
- Time and cost
- Time and trouble
- Time and trouble

Metaland's General Purpose HDG

High Quality 300g/m² Hot Dipped Galvanized (HDG) coating virtually eliminates time cracking jobs, time and trouble, time and cost, time and trouble, time and trouble.



NON CONFIDENTIAL ATTACHMENT No 2

15 October 2007

Dear Customer

RE: HOT DIPPED GALVANIZED PRODUCT

Further to our communication dated 9th October 2007, we would like to update you on our progress.

Following an assessment of the production problems at the Newcastle galvanizing facility, a decision has been made to immediately mothball the plant.

For your current hot dipped galvanized requirements, ATM are able to offer the following:

- Normal stocks of 125NB and 150NB in all gauges as this product has historically been externally galvanized.
- 80NB, 90NB and 100NB in all gauges will be externally galvanized, with the same finish as Brisbane's traditional 125NB and 150NB, ex rolling.
- Limited stocks of 65NB and below.

We are also continuing to source additional products from external suppliers to supplement our stocks.

If Supagal product is suitable as a substitute for hot dipped galvanized requirements, we are able to offer product ex rolling at the same rate.

The project to upgrade our Brisbane facility has been bought forward 4 weeks, with crews working around the clock. Galvanising at our Brisbane plant will recommence mid December 2007, with stocks becoming available progressively through to the end of January 2008.

Sincerely

Tony Bothams
Executive Manager - Sales & Marketing

Australian Tube Mills Pty Limited
ABN 85 123 180 172

Telephone +61 7 3246 2600 Facsimile +61 7 3246 2677
146 Ingram Road, Acacia Ridge QLD 4110 Australia
PO Box 246, Sunnybank QLD 4109 Australia

1.7.7 In August 2008 ATM, having "mothballed" the Mayfield HDGP facility in October 2007, to reduce costs, decided to "cap" its production capacity for HDGP at "Acacia Ridge to circa 27kt p.a. which we claim has not been fully utilised for the period August 2008 to August 2011 resulting in ATM only achieving sales of locally produced HDGP of circa 22kt p.a.

1.7.8 Report No. 177 would indicate that ATM's sales of so termed 'downgrade' and 'surplus' products in 2010/2011 exceeded its HDGP sales.

1.8 Recommendation No. 2

1.8.1 ACBPS is requested to factor in the economic and commercial benefits ATM accrue from 'mothballing' surplus assets such as the HDGP facilities at Mayfield and Acacia Ridge namely: -

- Reduction in cost per tonne
- Reduction of employees
- Savings in transportation costs
- Asset book write-offs
- EBIT benefits

1.9 Recommendation No. 3

1.9.1 ACBPS seriously consider including in its final recommendations to the Minister that the imposition of any Measures on imports of HDGP and certain sized RHS-SHS would preclude effective choice and competition for Australian users in the rural, building, mining, construction and other sectors, as the resultant scope for ATM-Onesteel to exploit their market power could not be addressed unless the ACBPS took account of the volume of non-injurious, non competing and non- dumped imports.

- 1.9.2 There is no doubting that ATM's share of the domestic market for HDGP has been low and it is more than likely that its market share for locally produced RHS-SHS is also limited by choice.

1.10 Recommendation No. 4

The ACBPS reconsider its conclusion at 9.7 in PAD Report No. 177 that "dumping, in and of itself, has caused Material Injury to the Australian HSS industry, in the form of price and profit effects."

- 1.10.1 The ACBPS needs to exclude non relevant , non competing imports being the RHS-SHS and HDGP imports, and the non-dumped imports of truly competitive products.
- 1.10.2 ACBPS also is requested to recognise that the Australian industry for 'HSS' comprises two other local producers, namely Orrcon and ITM.
- 1.10.3 At the time of making this submission there appears to be no public record of ACBPS visits to either Orrcon or ITM.
- 1.10.4 Neither Orrcon or ITM produce HDGP and ITM entered the market during the Investigation Period and its "new" domestic sales have logically affected ATM's sales of products other than HDGP as we claim ITM's initial sales would have nearly equated to ATM's 5% loss in volume during the I.P. being around 12,000 tonnes
- 1.10.5 No reckoning of this factor has been considered.
- 1.10.6 The market size outlined in Section 5.2 of PAD No. 177 cannot be properly determined without evidential data from the other two Australian producers.

1.10.7 **ATM's view (*para 7.9 Visit Report*) on the very significant appreciation of the Australian Dollar, being up to around *58 per cent from and during the Injury Analysis period, is simply illogical.**

1.10.8 There can be no doubt that the very significant appreciation of the Australian Dollar has improved the competitiveness of imports.

1.10.9 Additionally no mention is made of the Australian Government's Free Trade Agreements with countries exporting 'HSS' to Australia such as Thailand and this factor has also contributed to the improved competitiveness of certain imports in the GUC basket..

1.11 Recommendation No. 5

The ACBPS obtain from ATM-Onesteel a quantification of its declared A\$ value benefit component included in its domestic selling price because of its domestic price premium.

1.11.1 This factor needs to be disclosed and taken into consideration when calculating a N.I.P.

2. **The Issues**

2.1 ATM Market Supply Misrepresentations:

2.1.1 The most basic and continuing misrepresentation relates to the description given to the generic like product, namely 'HSS', meaning Hollow Structural Sections.

There is a fundamental divide between the end use of CHS and RHS/SHS and they should be treated as separate "like goods".

In practical terms CHS can be bent, joined , coupled and used for applications such as conveyancing , farm gates, fencing and in respect to the imported CHS, it is produced to the non structural standard equivalent AS 1074.

RHS/SHS has to be "cut" and welded for joining , cannot be used for conveyancing and has never been used for, example, making farm gates. Practically "all" RHS/SHS sold in Australia is produced to comply with the structural standard AS 1163 and services a separate market segment.

The real issue however is ACBPS consideration of s269TAE in respect to what are the other causative factors for ATM's "continued" material injury other than any dumped or subsidized imports in that as the ACBPS states, there must be a positive finding that dumped or subsidized imports "of themselves, caused material injury to the Australian industry"

In this context we hasten to add that the "Australian Industry" is comprised of three local producers, not just the "one" claiming injury.

We do not accept the apparent finding by ACPBS that the impaired imports are the sole cause for ATM's material injury .

- 2.1.2 With imports of 'HSS', the Customs Tariff at least requires the goods to be classified as being circular (CHS) or non circular (RHS, SHS, Oval).
- 2.1.3 For the Investigation Period (IP), being financial year 2010/2011, the total "relevant" imports were 216,373 Tonnes – ACBPS Visit Report to ATM, page 72.

- 2.1.4 Our data sourced from the ABS supports this total and in terms of circular and non circular product imports for 2010/2011, the ABS data provides the following (rounded) volumes:-

2.1.5 **Table No. 1**

CHS	-	95,000 Tonnes
Non CHS	-	121,000 Tonnes
Total:		216,000 Tonnes

Source: ABS Data

- 2.1.6 Based on our collective industry and market sector experience we submit that most of the **95kt Tonnes** of CHS are of a non structural grade satisfying Standards AS1074 / BS1387 whereas structural grade products need to satisfy AS1163 / 2009.
- 2.1.7 We further submit that the 121kt Tonnes of imported non circular product are predominantly, if not totally, structural grade product and this volume includes ATM's own imports and sizes/dimensions that ATM cannot produce.
- 2.2 **Relevance Of CHS Imports, HDGP etc.**
- 2.2.1 We respectfully submit that no proper or valid causation analysis can be undertaken without the ACBPS examining the sub-categories of generic like product in relation to their different and discrete 'every day' normal use, specifically HDGP, and our stated sizes of RHS-SHS.
- 2.2.2 Such an analysis will clearly demonstrate that the majority of CHS imports, being at least 80 per cent, are of the Hot Dipped Galvanised finish (**HDGP**), which on the ABS data was around **76,000 Tonnes** for the I.P and ,on non circular, we claim, around 20,000 tonnes were of non competing RHS-SHS, being sizes ATM cannot produce.

2.3 HDGP Factor

2.3.1 Further analysis of the HDGP sub-category will reveal that the applicant, ATM-Onesteel, is clearly incapable or unwilling to produce this product on a truly commercial basis and as has been generally and publicly acknowledged, ATM-Onesteel is itself an importer of HDGP both directly ex its exclusive supply source in Vietnam and indirectly via Australian trading companies from countries included in this Investigation.

2.3.2 ATM-Onesteel is the dominant local producer of RHS-SHS and for the period since it acquired Smorgon Steel's production facilities in 2007, the only local producer of HDGP.

2.3.2.1 "On March 2007, the two separate Pipe and Tube businesses operated by Onesteel Trading Pty Ltd and Smorgon Steel Group were combined to form a joint venture company, Australian Tube Mills Pty Ltd."

"From 20 August 2007, the joint venture company became a wholly owned subsidiary of Onesteel Limited following the merger of the Onesteel Group and the Smorgon Steel Group."

Reference page 5 Public Version of ATM Application.

2.3.3 As will be demonstrated in **Section 3**, (following "Market Size and Composition", ATM-Onesteel has attempted to maximise market share but in reality it cannot, contrary to its claims on capacity, etc., supply all domestic demand from its intentionally "designed" and limited production capability.

- 2.3.4 ATM-Onesteel's claims on having the capacity to supply the whole of the Australian market is only valid if the whole of the Australian market required only Black Pipe (NOPC), being the old 'T Model' Ford factor of claiming the customer can have any colour he/she chooses so long as it is black or in the case of RHS-SHS, so long as the wt is < 6mm, and the dimension is < 800mm.
- 2.3.5 For more than 50 years the HDGP product has proven to be not only a crucial product for use on exposure to Australian external climatic conditions (sacrificial protection) but for all practical purposes there has been no genuine substitute product offered by ATM-Onesteel or the other local producers..
- 2.3.6 In this case, ATM-Onesteel has developed strategic relationships with overseas suppliers to exclusively import HDGP and RHS-SHS outside its production capability in order to service those parts of the domestic market it cannot or will not supply from local production.
- 2.3.7 The Delegate and the Minister should be aware that a successful outcome for ATM-Onesteel on this Anti-Dumping/Countervailing Action that excludes its own import supply source could result in ATM-Onesteel creating a monopoly on the import supply and thus the domestic supply.
- 2.3.8 It is somewhat ironic that ATM-Onesteel piggyback on other Administrations findings in its Application for Measures but if the Australian system mirrored the USA system, ATM-Onesteel would most likely have been ineligible to lodge "this" Application given the USA's "related party" provisions.

3 Market Size And Composition

- 3.1 Australia currently has 3 local producers of most of the goods in question, namely: -
- The applicant, ATM-Onesteel
 - Orrcon Limited
 - Independent Tube Mills (ITM)
- 3.2 ITM was a new market entrant during the very same period (the IP) that the applicant claims loss of sales, profits and lack of industry investment, etc. Onesteel's Full year report for FY 2011 stated ATM's volume was down 5% which we calculate to be around 12-16,000 tonnes.
- 3.3 ATM was dismissive of ITM's influence, suggesting it had little market share etc, but we are reliably informed that this new "insignificant" local producer, unlike ATM, has a full order book, and has continued to make new investment in productive capacity. Our estimate of ITM's sales for the I.P is around 12,000 tonnes
- 3.4 One of the most relevant facts pertaining to the other two local producers is that neither produced or now produce, HDGP. They mostly produce painted RHS/SHS, and some Black or Bare CHS.
- 3.5 On the relevant market supply the factual situation, as has been clearly demonstrated, is that the Australian Market for the so termed like goods comprise the following types and finishes of ERW steel pipe and tube:

Circular Hollow Sections (CHS)

- Black ,being bare & not otherwise coated or painted.(NOCP)

- Painted, mainly Red, for sprinkler, fire fighting purposes.
- Hot Dipped Galvanized by way of Zinc Bath etc. (HDGP)
- Pre Galvanized from Galvanized Coil – (i.e. “Supagal”)
- In-Line Galvanized – (i.e. “Duragal”)

Non Circular Hollow Sections (RHS/SHS)

- Black
- Painted, essentially Blue
- Pre-Galvanized – (i.e. “Supagal”)
- IN –Line Galvanized – (i.e. “Duragal”)

Oval Sections

- “Ozrail” type product

000 TONNES ROUNDED				
PRODUCT FINISH	LOCAL SALES	OTHER LOCAL SALES	IMPORTS SUPPLY	TOTAL MARKET SUPPLY
Black- Painted	156	14 (E)	130 (E)	300
HDGP	33	NIL	77 (E)	110
In Line Galv	82	80 (E)	8 (E)	170
TOTALS	271	94	*215	580
%	47	16	37	100

Source: * ABS Data – (90 CHS, 125 (RHS)

Notes: (1) E = Estimate

- 3.6 **Confidential Attachment No. 1** is what we know to have been the relevant market size and composition for the year 2007/2008:
- 3.7 Explanation of **Table No. 2**
As per **Confidential Attachment No. 1** we are confident of the following “components” being correct:

- Total market supply
- Total imports supply

- ATM's local sales

On the import volume our ABS data for the period showed 'CHS' imports of 90kt and 'RHS' imports of 125kt making a total of 215kt which compares to 195kt shown on **page 72** of the ACBPS Visit Report to ATM.

Our stated ATM sales of 271kt for 2007/2008 in **Table No. 2** compares to the indicative ATM sales of 290kt plus in **para 6.6.1 of ACBPS Report No. 177**.

We have "concluded" that the variance of around 20kt can be explained by the difference in our import volume of 215kt compared to 195kt on **page 72** of the ACBPS Visit Report to ATM – in other words the 20kt variance in "their" import volumes could be ATM's own imports.

- 3.8 ACBPS **Report No. 177** at **Section 6.5** states that ATM did not "explicitly" state when "it considers Material Injury" from imports commenced.
- 3.9 We do know, however, that the ACBPS conclusion on ATM's 2008 application on these imports for calendar year 2008 was one of "no causality" meaning that only imports from January 2009 need to be considered for purposes of attributing any causality to the imports Under Investigation - **Reference Report No. 144, Report No. 177, para 6.5**.
- 3.10 For purposees of this Investigation therefore we commenced our market analysis from year FY 2007/2008.
- 3.11 It has been well documented that the 2007/2008 period experienced unprecedented demand for these particular products, and for steel products generally and the ACBPS findings on the 2008 ATM Application clearly evidenced ATM-

Onesteel's inability to satisfy their domestic customers' demand for these products.

- 3.12 Those ACBPS previous findings on "2008" clearly demonstrated year 2007/2008 to be an exceptional year for demand and that the effects of the GFC that commenced 4th Q 2008 were at their deepest in year 2009.
- 3.13 Given the universal understanding of the GFC, for any business akin to ATM-Onesteel's having an expectation that year 2007/2008 should be treated as the norm is not only unrealistic but commercially flawed.
- 3.14 When the GFC factor is further fuelled as in the case of ATM-Onesteel, no local producer can genuinely claim a loss of sales when they cannot or will not produce what the market requires and specifically on HDGP, those imports of circular HDGP that did supply the significant and intentional market shortfall could never be treated as being the causation of any Injury to ATM.
- 3.15 With the market now conditioned to ATM no longer being a commercial producer of HDGP meaning all HDGP will now be imported, and its limited production capability on RHS-SHS, our concern is that apart from its intention to soften third party imports ATM is using this tax payer funded Investigation to obtain a commercial knowledge of exporters and importers so as to benefit the Onesteel distribution arm for when it assumes the importing and stocking of HDGP and RHS-SHS outside its production capability.

4. ATM-Onesteel Disclosures

- 4.1 In our opinion ATM-Onesteel's application and responses on this Investigation have been sneaky, disingenuous and contradictory.

- 4.2 The Public Record version of its application dated August 2011 makes no mention of it having "mothballed" its Acacia Ridge Hot Dipped Galvanizing facility (HDGP) .
 - 4.3 It was not until the Public Record version of the ACBPS Visit Report was made available in December 2011 that confirmation of ATM's August 2011 'mothballing' was disclosed. Nor did it mention ATM's limited RHS-SHS capability.
 - 4.4 ATM and its consultant complain about exporter-importer documents on the Public Record lacking transparency yet the application of August 2011 and subsequent contributions have hardly been forthright on relevant issues.
 - 4.5 Importers acknowledge that the current system, and political landscape are intentionally biased in favour of ATM-Onesteel type applicants and that there is no law requiring an ATM-Onesteel to have the capacity to supply the whole Australian market.
 - 4.6 Importers do, however, demand a reasonable opportunity to understand the applicant's claims on Material Injury and causality such as the disclosure on the Acacia Ridge HDGP facility.
5. HDGP History
- 5.1 ATM's original identity of 'Tubemakers' initiated Anti-Dumping Measures being applied to imports of HDGP from Thailand for almost a decade until the Measures were removed in 2010.
 - 5.2 Those ACBPS reports relating to a decade of reviews and continuations provided the import sector with an understating of the market size

for HDGP and whilst like any market it has ebbed and flowed, it has been around 100kt per annum.

- 5.3 **Confidential Attachment No. 1** confirms this market size.
- 5.4 **Para 4.1.2 of Report No. 147** read:
"Onesteel ATM states that Trade Measures Report No. 84 estimated the Australian market for HDG CHS Steel Pipe at between 70,000 and 80,000 Tonnes in 2003-2004. Onesteel ATM understands that in 2007-08 the market was likely to have been approximately 100,000 to 120,000 Tonnes. In 2008-09 year, it is estimated the market has contracted and is likely to reflect the levels of 2003-04.
- 5.5 Anti-Dumping Measures on HDGP ex Thailand were originally imposed in February 2000 and continued to February 2010 due to Onesteel-ATM applying for a continuation of Measures beyond year 2005.
- 5.6 **Report No. 011** revealed the following market supply of HDGP for year 1998-99:

Table No. 3

Tonnes (rounded)		
Local Producers	Imports	Total Supply
47,800	13,600	61,400
78%	22%	100%

- 5.7 The market then comprised both local producers, Onesteel and Smorgon Steel, and since then the market has increased to over 100,000 Tonnes (from 61,400 Tonnes) and ATM-Onesteel's local production sales declined to around 21,000 Tonnes.
- 5.8 Given the Onesteel-ATM decisions of October 2007 and August 2008, ATM could not have

produced more than 27,000 Tonnes for years 2008/09 and beyond to 2010/2011.

- 5.9 Our understanding from the Investigation of **Report No. 147** is that ATM sales of locally produced HDGP in 2008/2009 were circa 21,000 Tonnes.

6. Overall Market History

- 6.1 **Table No. 4** is our relevant market construction for financial years 2005/06 to 2010/11.

000 Tonnes (rounded)				
Column	1	2	3	4
Financial Year	ATM Sales	All Imports	CHS Imports	RHS Imports
2005/06	293	164	80	84
2006/07	280	231	90	141
2007/08	272	195	90	125
2008/09	155	240	85	155
2009/10	214	233	90	140
2010/11	198	216	95	121

Explanations – Source

Column 1:

Based on our Conf. Attachment No. 1 and applied to Section A.5 of Applicant's August 2011 Public Version of Application.

Column 2:

Sect. 8.2, Page 72, ACBPS Visit Report to ATM

Column 3:

Based on sourced ABS Import Data by this Submission.

Column 4:

Based on sourced ABS Import Data by this Submission.

6.2 Conclusions – Table No. 4

- 6.2.1 The volume of imported CHS has averaged around 90,000 Tonnes for the period.
- 6.2.2 Given the accepted volume of CHS imports is primarily HDGP, the Australian demand for HDGP has remained relatively stable with ATM supplying increasingly less volumes of locally produced HDGP.

6.3 Comments – Table No. 4

- 6.3.1 During year 2007/08 ATM could not supply local customers demand.
- 6.3.2 Domestic customers during that period being those unable to obtain their requirements from ATM-Onesteel could only have resorted to imports as Orrcon experienced the same demand factor and Orrcon does not produce HDGP.
- 6.3.3 Given the time lag on imports being up to 5 months from time of order the apparent spike in imports of 'RHS' in 2008/09 can be explained by 6.3.2 and the understanding that ATM's production capability is limited on size etc.
- 6.3.4 **Table No. 4** is incomplete due to the non availability of the other Australian producers.

7. ATM-Onesteel Contradictions

- 7.1 On 2nd May 2011, Onesteel presented the:-
"Onesteel Operational Site Tour Presentation".

It was a presentation by:

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- Steve Hamer – Chief Executive – Distribution
- Leo Selleck – Chief Executive – Market Mills

7.2 We consider that presentation to be relevant given the period in question is the I.P.

7.3 **Non-Confidential Attachment No. 3**
comprising 10 pages are relevant extracts
which in our opinion contradict the ATM
Application on issues including: -

- Causality from non import external domestic factors, namely the Australian economic conditions.
- The appreciation of the Australian Dollar against the US Dollar.
- Price increases of 7% and then 18% on that increase on Pipe and RHS, the GUC.

7.4 Onesteel's Half Year Report to December 2010, page 5, states:

"In the Australian tube mills business, volumes for the half were flat compared to the prior corresponding half, but down on the second half of FY10 due to de-stocking of distributors, resellers and end users as prices trended down during the half.

Margins were adversely affected by the impact of the stronger Australian Dollar on competition".

- **Refer non-confidential Attachment No. 4**
- **Emphasis added**

- 7.5 Onesteel's Full Year Report to June 2011 states on page 6:-

"In the Australian tube mills business, **volumes were down 5% compared to the prior year, but market share increased slightly.**

Volumes were impacted by **weak construction and manufacturing activity** and de-stocking by distributors, resellers and end-users as prices trended down during the third and fourth quarter **and working capital constraints became a significant issue.**

Margins were adversely affected by the impact of the stronger Australian Dollar on prices".

- *Refer non-confidential Attachment No. 5*
- *Emphasis added*

- 7.6 Onesteel's Full Year Report, states on page 8 that Metaland/Steel and Tube volumes increased 10% in the second half.

- 7.7 Our understanding is that this "Division" sells the non-specified, surplus and downgrade products of ATM.

- *Refer non-confidential Attachment No. 6*

- 7.8 On ATM pricing including the OZTUBE pricing, **non-confidential Attachment No. 7** is a Onesteel-ATM price offer for August 2010 delivery of:-

- **OZTUBE**
 - RHS Painted - \$1,250/Tonne

- CHS Painted - \$1,160/Tonne

- **INTERMEDIATE RANGE**

- RHS Painted - \$1,438/Tonne
- RHS Supagal - \$1,604/Tonne
- RHS Duragal - \$1,524/Tonne
- CHS – Clear - \$1,334/Tonne

- 7.9 ***Non-Confidential Attachments Nos. ,9 and 10*** detail ATM price increases of:
- (8) 11% - from 5th July 2010
 - (9) 7% - from 4th January 2011
 - (10) 18% - from 7th March 2011

- 7.10 Other contradictions in our opinion are:

- 7.10.1 "The Australian industry continues to manufacture 'like goods' to imported HSS from China, Korea, Malaysia, Taiwan and Thailand".
- ***Refer page 9, Public Record Version ATM August 2011 Application***

- 7.10.2 "The Australian industry's HSS is commercially and functionally substitutable and competes directly with imported HSS from the five nominated countries".

8. **Summary**

- 8.1 When the common market competitor is clearly "big business", and the number one local producer and national distributor, of the subject goods, the inconvenient reality for all third party Australian importers, their customers and suppliers, is the need to pay a

price premium for simply doing business in Australia.

- 8.2 This is because a 'big business' applicant like ATM-Onesteel has ready access to Australia's Anti-Dumping System and has employed a strategic continuous use of the intentionally biased Anti-Dumping System to soften import competition.
- 8.3 ATM-Onesteel's history of initiating Anti-Dumping Applications on so termed HSS imports is a matter of record and this applicant clearly relies on what we claim are the "black box" treatment of relevant information and the current policy convenience of what determines "like goods", rather than truly competitive imports in order to create the intended uncertainty of supply to its market competitors.
- 8.4 Absent the world of Anti-Dumping and this strategic use of the system by ATM-Onesteel in our opinion is classic anti-competitive behavior – big business leveraging its small business competitors.
- 8.5 In this sense the market needs to be considered in terms of its reality and not how ATM wants the market to be considered in order to enhance the Onesteel Distribution business, which is the market leader in Australia.

The importers in question are fully aware of the issues paper produced on 'like goods' during the course of the previous ACBPS investigation on these same goods in April 2009 being Trade Measures Case 144.

- 8.6 The "one size fits all" approach may be acceptable in terms of establishing the generic basket for "like goods" but it is not acceptable

for purposes of establishing demonstrable causative factors of material injury.

- 8.7 Respectfully therefore the importers need to place on the public record that they take issue with the "Clarification Statement" contained in ACDN No 2012/01 on the basis that it signals a probable ACBPS position that may ignore fundamental considerations on other causative factors for any material injury to ATM, (and only ATM) by way of a claimed loss of sales etc., by this one local producer.

The public interest issue of supplying what the market demands also appears absent from current Injury considerations and this is a critical factor given ATM's demonstrable inability to supply the Australian market requirements.

- 8.8 As indicated earlier, importers have no confusion as to what goods are included in this investigation as the basket of so termed like goods but they reject the homogenous treatment of these goods on the material injury consideration when for all practical purposes there are demonstrable differences in terms of their physical, commercial, functional and production "likenesses".

- 8.9 The issue with the "clarification" stated in ACDN No 2012/01 therefore extends beyond what ACBPS may consider to be "like goods" in that the real consideration, regardless of any eventual evidenced volume of truly competitive imports being dumped or subsidized, is whether, in accordance with s269TAE of the "ACT", that any final evidenced volume of "dumped/subsidised" imports was demonstrably causative of ATM's claimed injury.

- 8.10 The importers strongly recommend that on the basis of factual and positive evidence the ACBPS must give consideration to the public interest factor being the downstream interests of Australian farmers, builders, miners, their suppliers and other users of the goods that create the market demand for products on a practical fit for purpose basis.

Given the import supply requirement, HDGP is the classic illustration of this public interest test, and the Minister has the discretion to entertain this reality factor provided of course the ACBPS offer the Minister that opportunity.

- 8.11 In our view Article 3.6 of the AD Agreement is of relevance which reads:

- "The effect of the dumped imports shall be assessed in relation to the domestic production of the like product when available data permit the separate identification of that production on the basis of such criteria as the production process, producers' sales and profits. If such separate identification of that production is not possible, the effects of the dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes the like product, for which the necessary information can be provided."

- 8.12 WTO jurisprudence on the issue of 'like goods' has called for a consideration of the true competitive relationship based on a proper analysis of physical characteristics, end-use

applications, route to market, sales outlets, prices and cross-price elasticity.

8.13 In conclusion expert opinion has been provided to the ACBPS on our claim that there is no local production of a substitute for HDGP.

8.14 It is also relevant to note that when ATM was unable to produce HDGP during the period October 2007 to around January 2008, it by way of a notice to customers advised "If Supagal product is suitable as a substitute for hot – dipped galvanized requirements, we are able to offer product ex rolling at the same rate"- ATM doc dated 15th October 2007, Non Confidential Attachment No 2 refers.

Relevance is there was no mention of "Duragal" being a possible substitute for hot-dipped galvanized.

In our opinion ATM's behavior and claims could be considered to be offensive to Australian users of HDGP and large sized RHS-SHS and an attempt to force traditional users of those specific goods like farmers, builders etc., to use what ATM spuriously claims is either a locally produced substitute product or its imported product or else it will make Australian users pay a punitive duty premium on product ATM no longer, or cannot commercially produce at any of its plants.

8.15 What is certain is that imports did not cause Material Injury to ATM in calendar Year 2008, that the GFC affected demand from October 2008, and that globally, no market has recovered to pre GFC levels.

- 8.16 For ATM to expect the Australian market to be at the pre GFC levels merely demonstrates how unrealistically or opportunistically its management people must operate and more significantly, their decision to "mothball" all production of HDGP reveals their true attitude to Australian customers, that being akin to "buy what we tell you to buy and not what you need to buy"

It is also our opinion that ATM's restrictive marketing and distribution policy of only supplying its "tier one" or "franchised" type customers has resulted in what can only be an injury of a self - inflicted kind in that it is not prepared to supply the whole of the Australian market, albeit with its limited range of locally produced goods.

Please contact the writer for any further information in relation to this submission.

Non Confidential Attachment No 3

COMPRISING-10 PAGES:-

Extracts from the 2nd May 2011 Onesteel presentation referred to in Section 7 of this submission, namely the following page numbers:

- **Cover sheet**
- **Page 12-“Key drivers of business performance.**
- **Notably “impacted by” by external factors-eg: Causality.**
- **Page 15-Aud: USD fx.-currency appreciation factor.**
- **Page 16- Rapid Escalation of Australian Dollar.**
- **Page 18-Price Increases following Mills increases**
- **Notably Pipe and RHS- 18% PRICE INCREASE.**
- **Increases effective throughout March and April**
- **Page 31-Market Mills includes ATM**
- **Page 36-Market drivers for the GUC**
- **Page 37-Lower import prices due to rapid appreciation A\$ since August 2010.**
- **Page 38-Price increases on Pipe/RHS : 7% Dec 10; 18% March 2011.**
- **Page 53-Market segments for GUC**



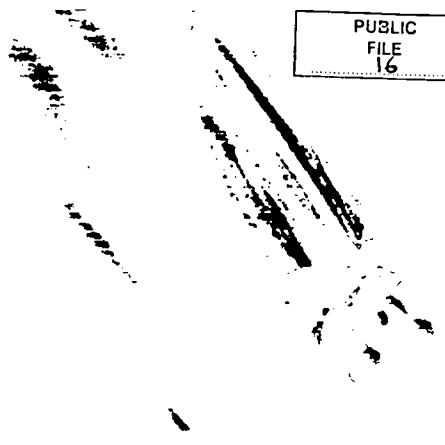
3.1.

OneSteel Operational Site Tour Presentation

Steve Hamer – Chief Executive Distribution

Leo Selleck – Chief Executive Market Mills

2 May 2011



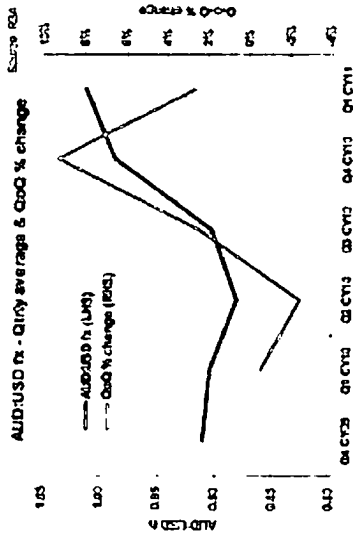
Key drivers of business performance

External

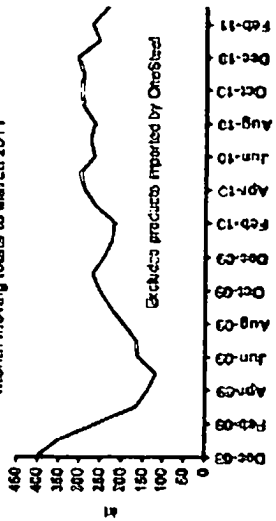
- The main drivers are domestic market conditions in -
 - Construction – non-residential, engineering, home-improvement, residential
 - Rural
 - Mining
 - Manufacturing, including automotive
- Impacted by -
 - Government funded infrastructure
 - Resource investment
 - Private development
 - Availability of cash and credit
 - Population growth
 - Unemployment rates and trends
 - Interest rates
 - Freight costs

3.2.

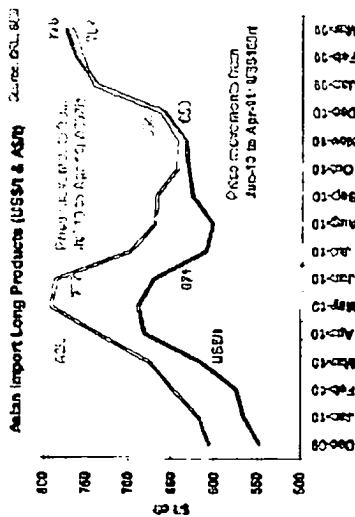
Market conditions and external factors - Australia



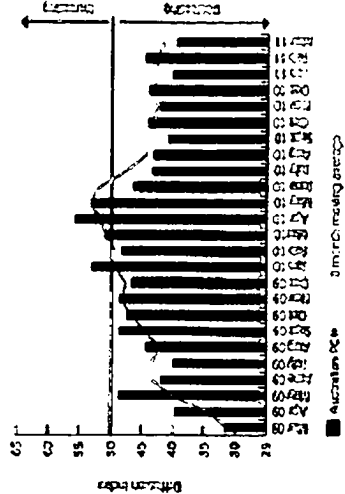
Imports in OneSteel Manufactured Range of Products 3-month moving totals to March 2011



Source: ABS Data and OneSteel estimates



Australian Performance of Construction Index (PCI)



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1/1



Market conditions & external factors

International

- Steel input costs, coking coal, iron ore and scrap all at near record high levels
- World steel capacity utilisation slowly strengthening
- Rapid escalation of the \$AUD
- Further price volatility

3.4.

Domestic

- Resources – relatively strong but capital work forecast to increase significantly throughout 2011
- Engineering construction – some improvements with Government funded infrastructure commencing
- Non residential sector weak due to tight credit availability
- Residential construction relatively weak with high interest rates. No discernable impact from the Queensland flood recovery work
- Rural is improving slowly but mixed depending on weather

Overall

- Volumes are picking up slowly but conditions are fragile except for resources



Key drivers of performance

- Market continues to be impacted by weak domestic activity

- Non residential construction
- Residential construction
- Some major projects, in particular, in roads
- Adverse weather conditions
- Weak confidence

- Volumes recovering slowly. An example is the rebar project order book has increased 60% on March 2010. A measure of the civil construction segment strength

- Price volatility continues with input costs and \$AUD

- Price increases announced following Mills increases

- Pipe and RHS 18%
- Merchant Bar 14%
- Rebar 18%
- Rod 18%
- HRS 17%

- Increases effective throughout March and early April

- Escalation of \$AUD in April may impact increases from end of this half, but majority of impact in H1 FY12



Market Mills - overview

- OneSteel's Manufacturing segment comprises:
 - Market Mills
 - Whyalla Manufacturing
- Market Mills* includes the following business units:
 - Rod and Bar
 - Wire
 - Australian Tube Mills including LiteSteel™ Beam
- The Market Mills business is predominantly Australian based

3.6.

*As at 1 January 2011, OneSteel is reporting a separate Mining Consumables segment following the acquisition of the Mody-Cop and AltoSteel businesses in December 2010. The Waratah Steel Mill and Newcastle Refinery now form part of the Mining Consumables segment.

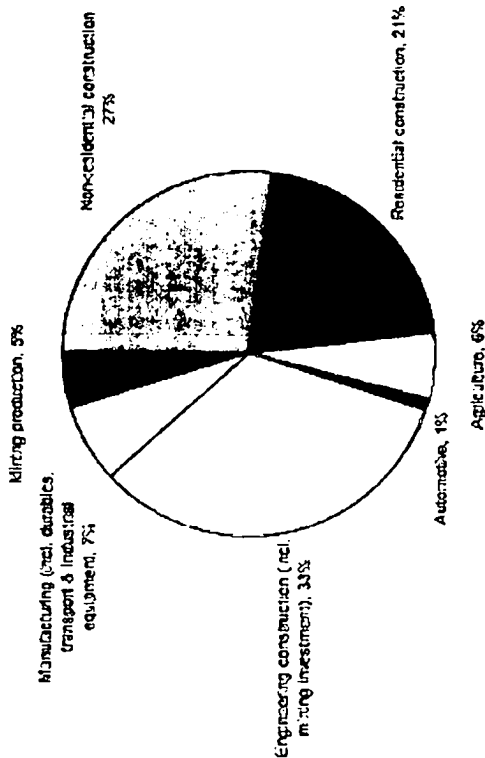
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02/01/2011

Market Mills – key market drivers



Market Mills sales by market segment



* Based on current sales

~80% of Market Mills revenue is driven by construction

- Residential, non-residential and engineering construction (incl. mining investment) drives demand for reinforcing bar and wire, rod for mesh, structural pipe and LiteSteel™ beams
- Agriculture drives demand for rural wire, rural posts and rural pipe products
- Mining production drives demand for mine ropes and grinding bar which is feed for grinding media
- Market Mills has limited exposure to automotive and manufacturing segments

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Market Mills – market conditions FY11

FY11 has seen difficult trading conditions for Market Mills

Margin

- Rapid FX appreciation particularly since Aug 10 has led to lower import prices (especially Q2 and Q3)
- Margin over scrap has been compressed (especially Q2 and Q3)
- Excess global long product capacity driving imports at competitive cost from Asia but also Europe
- Scrap price increase early in Q3 has driven Q4 price increases

Volumes

- Continued weakness (especially Q2 and Q3) driven by very weak construction activity (80% of Market Mills revenue), particularly non-residential construction activity
- Credit availability for construction and manufacturing customers hindering volume growth
- Flooding and wet weather has had a small negative impact on demand during 2011
- H2 volumes expected to be better than H1, but still about 15% below pre GFC levels

Market Mills – market conditions FY11 Q3 & Q4

3rd Quarter

- Higher raw material costs lead to an increase in international steel prices in Q2. Relatively stable FX from November - March provided opportunity to increase domestic prices
- Market Mill announced a number of price increases leading into and throughout the quarter:

- Pipe/RHS: Dec 10: 7%, Mar 11: 18%
- Merchant Bar: Mar 11: 14%
- Rebar/Rod: Mar 11: 4%, Apr 11: 14.5%

- Some easing in import volumes
- Volumes improving largely related to civil construction
- Demand partly constrained by price volatility and sensitivity to stock de-valuation

4th Quarter

- Expected to show moderate volume improvement, driven by strong civil, mining and engineering work – currently tracking in line with expectations provided at interim results
- Participation in major government and resource funded projects is resulting in improved demand for reinforcing products. But only modest improvement in other products
- Raw material prices generally flat but rapid appreciation in AUD expected to lead to some deterioration in prices in June/July and a deferral of demand related to price expectations. But average price for the quarter expected to be higher than for Q3
- Recovering rural outlook due to more favourable seasonal period and recovery from floods

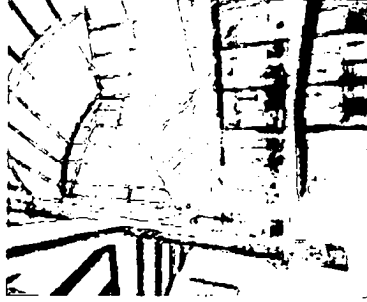
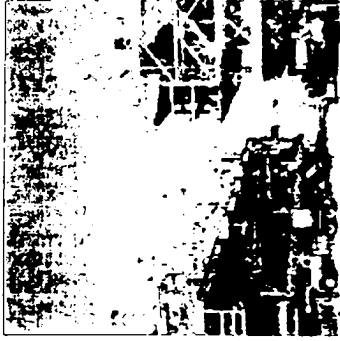
Market – Structural and Precision Tubing

Sectors

- Engineered construction
- Residential construction
- Non-residential construction
- Transportation
- Automotive
- Original equipment manufacturers
- Rural
- Mining

End use applications

- Houses
- Bridges
- Multi-story dwellings
- Airport terminals
- Stadiums
- Schools



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2010 Now CONFID
 AMKHA NO 4.



MANUFACTURING

6 MONTHS TO	DEC-10	DEC-09	% CHG
	\$M	\$M	
Total Revenue/Income	1,396	1,279	(6)
EBITDA - Underlying	(12)	130	(103)
EBIT - Underlying	(71)	72	(199)
Sales Margin (EBIT)	(5.1%)	4.9%	(103%)
Assets	3,639	3,583	2
Funds Employed	3,079	3,058	1
Return on Funds Employed (%)	(4.6%)	4.6%	(9.2pts)
Employees (number)	4,289	4,300	(0.3)

In the Manufacturing segment, revenue was down 6% to \$1,396 million due to the impact of lower average selling prices and a decline in sales volumes.

There was no resumption in the recovery in domestic demand following its stall towards the end of the previous financial year. Sales volumes were adversely impacted by continuing weak domestic construction activity exacerbated by a further weakening in confidence levels due to factors such as uncertainty over the Federal election, the proposed mining tax, as well as channel destocking related to decreasing price expectations and wet weather towards the end of the year. Sales volumes in Manufacturing were around 20% below normal levels during the half.

Margins continued to be adversely impacted by the low level of sales volumes, as well as additionally this half, and the effect of reduced Australian dollar prices caused by the rapid appreciation in the Australian dollar. Margins were also impacted by higher raw material costs which were not recovered in prices due to the competitive environment. International steel prices started to improve near the end of the first half, but historically there has been a lag of two to four months before domestic prices catch up.

At Warratah, both the Grinding Media and Rod business faced pressure during the half due to the impact of the higher Australian dollar. Pricing strategies were implemented and were successful in retaining key customers, but resulted in some margin pressure.

The Rod and Bar business continued to be adversely impacted by weak construction activity. Sales volumes from the Steel in Concrete segment were down 7% compared to the prior corresponding half, reflecting weaker demand from privately funded non-residential construction, cessation of Federal Government spending on the BIER and lower new housing starts. Prices were also lower than in the prior corresponding half due to the stronger Australian dollar. Mebar volumes were down significantly compared to the prior corresponding period due to destocking in the distribution channel. Margins were adversely impacted by weaker prices due to the impact of the stronger Australian dollar and higher raw material costs.

Sales volumes in the Wire business were generally in line with the prior corresponding half with the exception of rural and manufacturer sales, which were slightly lower due to the rural market remaining subdued from prolonged drought and recent flooding. The average wire price was also slightly down due to the impact of the stronger Australian dollar.

In the Australian Tube Mills business volumes for the half were flat compared to the prior corresponding half, but down on the second half of FY10 due to de-stocking of distributors, resellers and end users as prices trended down during the half. Margins were adversely affected by the impact of the stronger Australian dollar on competition.

6/10/18
 Dec 10

LiteSteel® Technologies market penetration in Australia during the half softened due to the winding down of Government stimulus (BER) and weak activity in residential construction. The business continues to develop other commercial applications such as residential flooring solutions. In the US, growth rates will be conditional on the recovery of the US economy and core construction markets. The business is contributing to support its marketing partner, Marubishi Steel Tube Ltd in the Japanese domestic market.

CONFIDENTIAL

Non Confidential
AMMEX NP5.

NP5

MANUFACTURING

12 MONTHS TO	2011	2010	\$/cmt
	\$m	\$m	
Total Revenue/Income	2,428	2,473	(2)
EBITDA - Underlying	(87)	97	(180)
EBIT - Underlying	(185)	(3)	
Sales Margin (EBIT)	(7.6)%	(0.1)%	(7.5pts)
Assets	2,695	2,624	(1)
Funds Employed	2,042	2,056	(1)
Return on Funds Employed (%)	(3.0)%	(0.2)%	(8.8pts)
Employees (number)	3,424	3,394	0.9

In the Manufacturing segment, revenue decreased 2% to \$2,428 million due mainly to a decline in sales volumes and the average sales price compared to the prior year.

Sales volumes during the year were adversely impacted by continuing weak domestic construction activity exacerbated by a further weakening in confidence levels due to factors such as uncertainty over proposed new domestic taxes, European and US debt issues, higher interest rates and wet weather conditions throughout the year. Sales volumes in Manufacturing were around 20% below pre-GFC levels during the year.

Margins were significantly adversely affected by the impact of the rapid run up in the Australian dollar on domestic prices in an environment of weak demand and from higher raw material costs. Internationally, higher raw material costs pushed up international steel prices in the second and third quarters, but this was not reflected in domestic prices until around March/April due to the impact of the rapid increase in the Australian dollar. The business was on track for a much improved fourth quarter due to significantly improved pricing but a further rapid run up in the Australian dollar early in that quarter resulted in further price and margin pressure and a deferral of sales volumes in May and June.

The Rod and Bar business continued to be adversely impacted by weak activity levels in key manufacturing and construction segments. Sales volumes from the Steel in Concrete segment were down approximately 6% compared to the prior year, due primarily to weaker demand from privately funded non-residential construction, cessation of Federal Government spending on the Building Education Revolution (BER) and the removal of the first home owners grant, impacting new housing starts. Average prices were also lower than in the prior year due to the impact of the stronger Australian dollar. Major volumes were flat year on year. Rod and Bar margins were adversely affected by weaker prices due to the impact of the stronger Australian dollar and higher raw material costs.

Sales volumes in the Wire business were mixed, with rural sales decreasing slightly and manufacturing sales down 6% driven primarily by a combination of general market softness and increased competition on a range of products. The average wire price was down marginally due to the impact of the stronger Australian dollar.

In the Australian Tube Mills business, volumes were down 5% compared to the prior year, but market share increased slightly. Volumes were impacted by weak construction and manufacturing activity and de-stocking by distributors, resellers and end users as prices trended down during the third and fourth quarter and working capital constraints became a significant factor. Margins were adversely affected by the impact of the stronger Australian dollar on prices.

LitSteel™ Technologies market penetration in Australia during the year slowed due to the winding down of the Government stimulus BER and weak activity in residential construction. The business launched residential flooring solutions during the year, gaining market acceptance and is well positioned for growth. In the US, the environment continues to be challenging due to a combination of credit availability issues, high unemployment and weak consumer and business confidence. The business is continuing to support its marketing partner, Marubeni Steel Tube Ltd in the Japanese domestic market.

01/03/11

Not Comprehensive
M12/12/11 NR 6.

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FILE
4/6
NR 6

Across the sector, mining production activity remained strong despite a slower than anticipated production following the Queensland floods early in the second half, and in mining investment encouraging signs towards the end of the financial year that activity is starting to improve. Improvement in publicly funded civil construction work during the year as a number of infrastructure commenced, but there was a further decline in privately funded non-residential construction due to continued credit availability issues. Residential construction activity was also generally weak due to affordability constraints and lower consumer confidence. In the manufacturing sector, soft demand and the impact of the significantly stronger Australian dollar contributed to a continuation of weak activity levels over the year.

During the year, the Australian Distribution business consolidated the Steel & Tube and Metaland management structures, and the Steel, Coil & Aluminium and Piping Systems management structures. These initiatives are designed to reduce the cost base for the business and improve customer focus and responsiveness.

Towards the end of the financial year the Australian Distribution business implemented cost initiatives across the business, including repositioning some businesses for improved profitability, revision of operating models and staff redundancies. The business continues to review its facilities and cost base and focus on initiatives to conserve cash.

In the Metaland/Steel & Tube businesses, volumes were flat compared to the prior year, however volumes in the second half were up 10% on the previous half due to market effectiveness and market share gains rather than an improvement in market activity which continued to be affected by weak levels of commercial construction, partly offset by improved mining investment activity.

In the Merchandising (Sheet, Coil & Aluminium and Piping Systems) businesses, revenue increased 5% compared to the prior year due mainly to increased revenue from Oil and Gas projects and stronger Sheet and Coil sales. Piping Systems performed well and margins remained relatively strong.

In Steel In Concrete, sales volumes in the OneSteel Reinforcing business were down 2% from the previous year due mainly to record levels of wet weather. Prices and margins in the business were also down, impacted by the significant run up in the Australian dollar over the year and under utilisation of international steel capacity. In the ARC business, volumes were up 3% on the prior year, but prices were down also due to the stronger Australian dollar. Margins were adversely affected by the impact of the stronger Australian dollar on prices.

Looking ahead, we expect the overall market to remain relatively flat with residential, non-residential construction and manufacturing remaining soft. Reflecting the two speed economy, the mining segment is expected to remain strong with continued growth in mining investment activity and some increased infrastructure activity.

NEW ZEALAND DISTRIBUTION

12 months to	Jun-11	Jun-10	% chg
	\$m	\$m	
Total Revenue/Income	298	304	(3)
EBITDA - Underlying	25	18	36
EBIT - Underlying	20	13	53
Sales Margin (EBIT)	6.7%	4.3%	2.4pts
Assets	173	175	(1)
Funds Employed	114	115	(1)
Return on Funds Employed (%)	17.4%	9.7%	7.7pts
Employees (number)	692	701	(3)

In the New Zealand Distribution segment, revenue decreased 3% to \$298 million from \$304 million in the previous corresponding period due to lower prices and flat volumes. EBIT increased 53% to \$20 million due to a greater focus on operating expenses and improved margins. The business has also implemented a new operating model to leverage key differentiating strengths of the business.

NON CONFID
Attachment no 1.

PUBLIC
FILE
WILSON 3/1/11

From:
Sent:
To:
Subject:

FW: OZTUBE / OZRAIL Pricing

Received
11/11/11 2010
11/11/11

The OZTUBE & OZRAIL prices for August delivery are listed below.

RHS Painted \$1260 / tonne
RHS Gal \$1395 / tonne
CMS Painted \$1160 / tonne

The order window opens today and will close following COB 24th May

Please note that the pack configuration on the previous PDF for 60x25x3.0 OZTUBE was incorrect at 72 lengths and will be revised on the new documentation to 60 lengths.

The Intermediate Range pricing will be reset at the following via an adjustment to the Regional Discounts. I will forward the new discount structures shortly.

RHS Painted \$1453 / tonne
RHS SuperGal \$1600 / tonne
RHS DuroGal \$1524 / tonne
CMS Clear \$1334 / tonne

Kind regards

OneSteel Australia Tube Mills
Industrial Drive, Mayfield NSW 2304
PO Box 120, Newcastle NSW 2300
Ph 02 4935 4004 Mobile 0418 249 303 Fax 02 4935 6760

Web: www.onesteel.com.au

NON CONFIDENTIAL

(4)

NO 9

NO 9

17 December 2010

Inc + 7%
From 4/1/11CONFIDENTIALPrice Increase: Hot Rolled Structural and Tubular Products

~~CONFIDENTIAL~~

As you are most likely aware, international steel prices have been firming in recent weeks as have international costs for transporting raw materials - this includes, but is not limited to, Iron Ore, Coking Coal and Scrap Steel. Additional supporting information outlining some of the scope of these movements is available upon request.

In light of these changes, we wish to advise you that OneSteel Market Mills will be implementing a price increase for Hot Rolled Structural and Tubular products in early 2011.

The summary of the price increases are as follows:

- Structural Pipe and RHS Products
 - o Timing: Effective for orders acknowledged from 4 January 2011.
 - o Price Increase: Up to 7% net price increase.
- Hot Rolled Structural
 - o Timing: Effective for deliveries on or after 1st Feb 2011.
 - o Price Increase: Up to 6% net price increase.

The market sentiment regarding raw materials prices and international steel prices continues to give us a strong potential for further price increases in the near future.

Thank you for your ongoing support and please do not hesitate to contact me if you have any queries.

Yours Sincerely

Mark Filshie
General Manager Sales and Marketing Distribution Segment

OneSteel Manufacturing Pty Limited ABN 62 629 000 000

Price Information.
Page 38
NON CONFIDENTIAL NO 3.
(3.9).

(3)

20 February 2011

10

NON CONFIDENTIAL
NO 10.

PUBLIC
FILE

from 1/3/11
inc - 180/p.

CONFIDENTIAL

Price Increase: Structural & Precision Tube



As advised last week in the Structural & Merchant Bar price increase letter, international steel prices have continued to increase in recent times. Recent weeks have seen international benchmark prices shift by 25% in Hot Rolled Coil, a key raw material input for Rpo & RHS.

OneSteel believes a key influencing factor behind these steel price increases has been international skyrocketing raw materials costs - this includes, but is not limited to, Iron Ore, Coking Coal and Scrap Steel.

Accompanying this price increase letter is some information outlining the scope of international steel price increases and changes in raw material costs.

In light of these changes, we wish to advise that OneSteel Market Mills will be implementing price increases for Structural Pipe & RHS and Precision Tube from 4 March 2011 as described below.

The summary of the price increases are as follows:

- Structural Pipe & RHS
 - o Timing: orders placed from 7th March
 - o Price Increase: Up to 18%.
 - o Extras on non standard lengths, light gauge products (+\$90/t), non standard coatings will also be reviewed
- Precision Tube
 - o Timing: orders placed from 7th March
 - o Price Increase: Up to 10%
- DuroGal Profiles
 - o Timing: orders placed from 7th March
 - o Price Increase: Up to 10%

Rise
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PAGE 38.
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