

EZY TOOLS P/L

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The Director
Investigations 4
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACY 2601

Email: investigations4@adcommission.gov.au

Dear Sir/Madam,

Public File

Investigations No. 490 & 494 – Review of anti-dumping measures inquiry – aluminium extrusions exported from Malaysia by Alumac Industries Sdn Bhd. We, Ezy Tools P/L, are the importer of these aluminium profiles from Alumac Industries Sdn Bhd. We are an interested party to these two Investigations. As well, we are still waiting for an outcome for our first Duty Assessment (DA0135 date received 25/06/18 status: ongoing) submitted to the ADC for the importation period 28 June 2017 to 27 December 2017, when the IDD & ICD were first applied to our imports. The date for this decision has been extended twice now, the latest due to the Investigations 490 & 494 being combined, we believe.

Firstly, I want to comment on **Capral Aluminium's letter to the Commission** (which was sent to leisa.baynham@adcommission.gov.au) **dated 25 March 2019; it regards the above investigations.**

In this letter, Capral ***does not comment on the determination by the ADC that Alumac: "was not the beneficiary of any subsidies from the Government of Malaysia during the investigation period"***; we assume then that Capral *finally accepts this part of the ongoing submissions* that we, Alumac and Ezy Tools P/L, have been making for nearly 2 years now, to the Commission. This is at least one step forward for us; albeit 'glacial'.

SUBSIDIES:

I read page 23 of the SEF 5.4.1 "Subsidisation found in the original investigation (INV 362)". It states that Press Metal Berhad, Superb Aluminium Industries Sdn Bhd, LB Aluminium Berhad and the category of residual exporters from Malaysia had received financial contributions under

countervailing subsidy programs in respect to aluminium extrusions exported to Australia” (but were negligible at less than 2 %).

I find it extraordinary that those who did receive subsidies were deemed to be “not dumping” and had no IDD or ICD applied to them, yet Alumac (due to inexperience leading to an inadequate and late submission) had both IDD 13% & ICD 3.2% applied to their exports of aluminium extrusions to Ezy Tools. We, of course are the ones who had to pay these duties and so are the “injured party”.

Alumac was found to “not have received” any of the 3 identified subsidies available to eligible entities in Malaysia from the GOM, nor any others available. The countervailing duties were only applied as a consequence of the automatic designation of Alumac into the “non-cooperative exporter group” and 3.2% was therefore applied. Ezy Tools has said all along that it totally believed Alumac was not receiving subsidies, *yet we, Ezy Tools, have had to pay out what is a great deal of money to us despite this fact*; and of course this has detrimentally affected our cash flow/budget.

REQUEST TO MINISTER:

We would ask the Minister to *back date/make retrospective* his eventual findings so that we can recoup these unfairly applied duties, *in full*, and without too much further onerous **red tape in trying to do so.** It has been obvious to us all along that we have been paying duties we should never have had applied to our extrusions from Alumac, Malaysia, from the first date, **22 June 2017** (SEF page 8) falling in the importation period 28 June 2017 – 27 December 2017.

CAPRAL LETTER 25th MARCH 2019 continued:

Likewise, there was no direct comment by Capral specifically regarding the Commission’s determination that: “those exports of aluminium extrusions to Australia by Alumac had a dumping margin of negative 6.78 per cent”. I then read in the **SEF on page 21** a bit more on this; namely the Dumping Margin *was* negative 6.78% and *was adjusted to* negative 2.84% due to: “inclusion of an upwards adjustment to Normal Value for export machining” costs. Then I understood Capral was objecting to this adjustment, so it must be something they do not like and ‘goes against us’.

As I have said and will keep repeating, much of this, especially determining Normal Value and various percentages for a *floor duty method* is probably beyond me; it is a level of **RED TAPE** that is so onerous for a small manufacturing business such as ours to do and even understand. And it is an unfair/unjust situation for the government to foist upon us.

Capral goes on to object to Alumac’s application as: “*the measures had only been in place for a little over twelve months*”. As Capral would be well aware of the rules governing such applications, *this is a totally irrelevant comment/complaint*. Capral would know full well, that *we had to wait twelve months* before these reassessments for revocation/review could be even submitted. We have been waiting a long time (the required year to pass) for the chance to request for a reassessment of the initial Dumping and Countervailing Duties imposed on our aluminium extrusions from Alumac, i.e. to give Alumac a second chance to do the job right this time.

We would like an outcome whereby we have everything reset back to when it all started for us, and to have no duties to pay and for Alumac to be found to be “not dumping” as were the others in the table in the SEF on page 8.

REFLECTIONS:

I believe even more now that the investigation has been done, that Alumac would have been put into the groups found to be “not dumping” *had they done as good a job responding to the first ADC questionnaire as this second time round*. They would have been found to be either “not dumping” goods to Australia, *or* that they would have been put into the “*de minimis group*”, just like the majority of the others investigated back then. But they ‘fell foul’ of the ADC regulations due to sheer inexperience, and Ezy Tools has suffered “injury” as a result.

So many large companies were found exempt; I presume they have the experience necessary to handle such complex ADC work. Two others have very high IDD & ICD percentages (64.4%) applied. We had several companies contact us in support of my various applications to have our IDD & ICD revoked or exempted. Many also commented on the ‘*truth*’ of many of my observations, for example that “*no one can just shop around for better prices, as the extruders keep control of the dies, despite us paying for them*”. This is the reality in this industry, here or overseas.

The ADC needs to take this fact into consideration when it has ‘objections’ from Capral (and the Australian Industry) regarding such matters; die costs, prices and volumes are in their control.

One of these companies that contacted us did have a high % applied to them. I have since heard they just switched from aluminium to plastics, so the impact was removed in this way on their business; how innovative of them! In the long run it’ll probably benefit them if this is so. For Ezy Tools such an option is not possible, our tools are made from aluminium for several reasons and this fact cannot be ‘got around’; we use on our unique, specifically designed aluminium profiles to manufacture our range of hand tools for trades people.

The first application by Capral was submitted on June 2016, and our ‘nightmare’ began, regarding their Anti-Dumping ‘tactic’.

All this was a totally new experience for both Alumac and Ezy Tools. I have always assumed that Alumac is a small company, like us, also with no previous experience in such matters; and as a consequence their first response to the ADC requirements fell well short - being incomplete and handed in late.

The convoluted and technical level of the English language used by the ADC would have also been a major impediment for staff at Alumac in regards to any response they were able to put together back then. They have since improved and, like Ezy Tools, gained a lot more experience in dealing with such matters; though for either of us, *nowhere near that which Capral possesses*. I feel Capral, as a very large entity, has an unfair advantage over us as much smaller companies.

Due to Alumac’s inexperience with the ADC and Anti-Dumping Regulations and their first poor response, *Alumac was automatically put into the “uncooperative group” and Duties (IDC & IDD) were then applied to the Ezy Tools shipments*. Most other Companies exporting such goods to Australia from Malaysia and under investigation were found: “to be not dumping”. The list of these Companies is available on the **Public Record**, and the **SEF page 8**.

They are very larger companies with many clients and they export much greater volumes and varieties of goods to Australia than Alumac does; we assume that Ezy Tools may be Alumac’s only

customer in Australia; or that they have few other customers here. I do not believe Alumac, are in any way at all “injuring” Capral by exporting our Ezy Tools unique aluminium extrusions to Australia, in order for us to manufacture our hand tools from these extrusions.

We are just as certain that Capral was most likely ‘targeting’ these other larger companies, and failed in their attempt to stop most of those ones exporting into Australia similar products to those that Capral makes. ***Ezy Tools, on the other hand, imports our own unique extrusions in order to manufacture a range of 13 hand tools***; none of our extrusions are ‘on sold’ as may be the case for those other companies competing directly with the Capral’s aluminium doors/windows/other construction products. ***We manufacture and sell our tools for tradies in the domestic market, mainly in Victoria, and for export to Ireland and the US.***

INJURY TO EZY TOOLS:

Since the first time we had duties applied to our shipments, Ezy Tools, that is myself, one person, has put in many applications to have these duties removed; all to date have been met with opposition from Capral and have so far been in vain. ***We have tried to explain repeatedly why these duties should never have been applied in the first place***, but Capral has continued to refuse to allow Ezy Tools, a SME (in fact, a micro manufacturing company) ***to be exempted*** from paying these onerous and “injurious” duties. *Any reasonable company would have agreed to exempt Ezy Tools from such onerous duties; we are ‘no threat’ to them.*

Now that we are finally able to have Alumac resubmit for review/reassessment/revocation, *it may be that we will finally have these duties revoked*, hopefully, and common sense will prevail; we may finally have some ‘weight’ behind all our previous assertions in our applications to the ADC.

Since we first started our many submissions (now six attempts to date?), we have provided as much information and evidence as we possibly could to convince the ADC of our belief that we (Alumac & therefore Ezy Tools) are not dumping our aluminium extrusions here in Australia. It feels like we have an enormous ‘Sisyphus rock’ to push up the mountain time and again. We have not given up yet, and have more **red tape** ahead to struggle with.

CONTRASTS & COMMENTS:

This response by Capral has meant we are most likely one of few caught up in this “blanket anti-dumping” attempt to protect its business from others making similar products to it and bringing them into Australia. All this **red tape** and ***we do not import extrusions to on sell***, but to actually ***manufacture hand tools***; we do not compete with Capral on any level; we do not make what Capral makes; we export, Capral does not we believe; ***we do not receive any government assistance or subsidies whatsoever, Capral does, even if indirectly*** (for e.g. they get an indirect government subsidy when they source their billets from Alcoa, which does receive government subsidies for electricity here in Victoria). There may be other subsidies Capral get, due to being a large Australian corporation with ‘clout’ in government circles, we don’t know, as we do not have the resources or contacts Capral does to investigate any such possible subsidies. I have read many of their past submissions and can see they do have such abilities/resources/tactics in place which they could use to obtain better ‘deals’ if they choose to pursue these; we do not.

Also, while Alcoa was closed, ***Capral sourced its billets from overseas*** so we heard. Ezy Tools gets ***raw material*** from overseas but has different rules applied to our company. Why can they do this

and we cannot? And, we presume, being a large company, they have far greater bargaining power regarding prices, volumes and delivery with any suppliers, overseas or domestic ones, than we do when negotiating any terms of trade, or costs of dies, volumes required and so on.

Capral has suggested in the past that we can 'shop around' and the ADC had this as part of one of its responses, in support of Capral, to one of my submissions. I had to point out that no die is 'transferable', and that we cannot take our dies and get quotes elsewhere. In this industry the aluminium extruder keeps the dies and if you want to move and 'shop around' it involves paying for new dies and having tonnage applied to each die as part of any 'deal' (terms of trade).

As a small company with small volumes on most of our dies, we do not qualify for "free dies" with any supplier. Here in Australia, and we presume overseas too, the "free dies" are only offered to the very large companies with large volumes. We have had this experience often when trying to negotiate with Australian extruders (as I have mentioned in previous applications to the ADC, on which are on the Public Record, Extrusions Australia was one such example).

Dies are costly and having all our dies redone would make it financially prohibitive for us to move our small business to another supplier, especially now, after 20 years where we have around 13 of them, unless the new dies were free of course. We have never had free dies with Alumac, but they are willing to do smaller volumes for us when we try to develop a new tool; thereby giving us time to test the market. If successful, it will also benefit them in the long term as we can then order more of it as we go along. They are supportive like this; others aren't willing to do this.

SEF PAGES 16 TO 18: comments

4.1 Preliminary Finding – the Commissions finds that the variable factors (being the export price and the normal value) relevant to... have changed...

- *It goes on to talk about recommending to the Minister that the dumping duty notice have effect as if different variable factor had been ascertained...*
- ***What does this mean – are the IDD for Alumac (& thereby Ezy Tools) going to be lowered or decreased (to 0% hopefully)?***

4.3 Low volume assessment – so it became difficult to assess export price because Alumac had: "exported low volumes of the goods" in the examination period?

- ***This, to me, substantiates my many past claims that we do not import enough aluminium extrusions to "injure" Capral in any way***
- And these are ***only for our manufacture of them into hand tools*** and not for on selling.
- It also supports our strong opinion that we are not dumping "the goods" as the volumes we import are low compared to any of the other exporters found "to be not dumping". (SEF p.8)

So, the Commission went to the ABF import data to try ascertaining export volumes... not just for Alumac, but for all exporters in Malaysia.

- A "similar trend in the volume of exports of the goods to Australia by all exporters from Malaysia" was found for the period 2017-2018, that export volumes was the highest of the periods examined.
- ***A trend does not tell me if, by comparison with the others, that Alumac rated as a big, medium or small exporter overall.*** I would guess that Alumac was still a 'small exporter' in

comparison to any of the others; as I think we are one of very few that they export to here in Australia, if not their only customer.

The Commission concluded (page 18) there was sufficient information to ascertain an export price despite low volumes of exports to Australia by Alumac.

- To me, the fact that there are low volumes exported tells its own story – logically if Alumac is exporting low volumes, then again, we can conclude that Capral is “not being injured” by said exports; **so the IDD should be dropped completely, to 0%.**
- **Ezy Tools only imports once or twice in each 6 monthly importation period**
- **So we have low volumes, and therefore cannot possibly, logically, be “injuring” Capral.**

CAPRAL ALUMINIUM & THE AUSTRALIAN INDUSTRY & AUSTRALIAN MANUFACTURING:

Why Have the **Australian manufacturers** of hand tools such as the ones Ezy Tools makes ‘gone offshore’? I have suggested before that **the Australian Aluminium Extruding Industry is partly responsible for this**; due to: over pricing or ever increasing prices (despite the LME going down), varying quality and such issues, as well as at times, unreliable supply, and expensive dies for smaller or ‘start up’ companies and an unwillingness to provide free dies to all on an equal footing, to name a few possible ‘reasons’.

We have been asked many times why we don’t just ‘go offshore’ as well, “like everybody else”. We could do this, but there are several reasons why we do not. One is that the quality of these fully imported tools is often criticised by the shops and tradies to us. **We get comments such as: “your stuff never comes back” (higher quality).** So, we have an advantage in this regard. **We also export, and Australian Made is more highly regarded;** so another advantage of manufacturing here.

As manufacturers we can better control the quality of our tools, as we make every single one of them by hand. We can inspect our aluminium extrusions closely for any defects before making our tools (Alumac has been pretty good though with consistent quality, better than some of our past experiences with some of the Australian extruders, including PMAA & Capral, as I’ve outlined in detail in previous submissions and which is on the Public Record already).

We are known for being able “to cut to size” (special requests for unusual sizes/lengths) as we are “the manufacturer”. We have even had local customers suggest a tool variation to us, or one they need, and we have added these to the lines we make and supply. We can do such things because we import our own aluminium extrusions and have the flexibility to do so. And also because Alumac is flexible and willing to do smaller production runs for us so we can ‘test’ new tools.

The supply chain of these fully made hand tools from overseas can have issues too; not having stock can be a serious problem. One of our competitors had a 6 week delay years ago, and we were able to expand the shops we supplied in that time period significantly and ‘win over’ many new customers. We continue to be known for our reliability and quick service and delivery times. We just wouldn’t want such an issue to deal with. Alumac has been very reliable as a supplier and extruder of good quality product for us.

All of our competitors have ‘gone offshore’ and no longer manufacture here in Australia, and they now import fully made hand tools for sale here. They pay less duty than we do (from what we were

told) and get their products at very low prices, and in bulk, so that they can sell them here in large volumes and offer them at very cheap prices; we constantly see 'evidence' of this in the shops we supply. It is difficult to compete, but we have 'stuck it out' and have an excellent reputation.

ANTI-DUMPING and our COMPETITORS:

I realise we could try an Anti-Dumping claim, but after seeing all the requirements, I also realise I do not have the resources, money or time to pursue such. And, I am also far too busy and occupied with 'fighting' Capral to do anything like that. As well, I believe that doing what Capral is doing would be for us a fruitless exercise; we would much rather concentrate on growing our business, especially our export opportunities. Pursuing any Anti-Dumping action against our competitors would be another huge distraction for such a small business as ours. ***The last two years have been bad enough without us going looking for more of the same!***

We may be the last company fully manufacturing such hand tools here in Australia. We compete directly with these import/wholesaling businesses and often have to deal with their 'dumping' of products on to the market. We survive by manufacturing high quality tools, at reasonable prices, with excellent service and delivery times. We have built up our reputation over 20 years and have achieved incredible loyalty. And we have been exporting for 7+ years now and plan to do more.

However, as an Australian manufacturer, there seems to be no protection for us from Capral's accusations of "dumping"; this is unacceptable; why isn't there some sort of exemption in our case, as an actual manufacturer, not a 'wholesaler' as such?

Where is the legislation for this? I can understand them wanting to protect their Australian made *products* against masses of cheap imports coming in, but that's completely irrelevant to what we do with our aluminium extrusions, *we manufacture and sell a range of hand tools*, we do not bring in and sell extrusions. I keep trying to point out the difference but it is 'falling on deaf ears' I feel.

INJURY TO EZY TOOLS:

The effect of this on Ezy Tools has been quite serious: the duties we have to now pay on every shipment are "injurious" to us financially (obviously) and the incredible amount of time I, personally, have spent on doing submissions beggars belief! It most definitely feels like a 'David & Goliath' situation; with Capral just hoping we'll run out of stones eventually! To us, Capral 'looks like a serial litigant'; with an obvious breadth of experience behind it in such matters and this is *very evident from a plethora of cases trailing all over the ADC website*.

In the letter of response by Capral dated 25th March 2019:

Capral goes on to say: "a decision to consider revocation of the measures would be considered premature in the current circumstances".

Firstly: premature? It is not soon enough for us for both of these unfair and "injurious" duties to be revoked (fully) and especially when we believe they should never have been applied to our aluminium extrusions in the first place. As I have said time and again, *if Alumac had been capable of dealing with this properly initially, none of these duties would have ever been applied*; we strongly believe Alumac would also have been found: "not to be dumping", along with the rest of those on

the public list for Malaysia. When we first went looking for a supplier, we could have 'picked' any of the others on the list that were found "not to be dumping". If we had, we would not have had duties put on to our aluminium extrusions.

To us, this is an obvious indicator that we are not dumping as well; the Ezy Tools aluminium extrusions would be the same regardless of the Malaysian supplier.

Secondly, what do they mean by: "the current circumstances"? Capral has no "circumstances" to deal with, but Ezy Tools does! Our "circumstances" have been very "injurious" for the last two years since Capral first made their claims, and we got that frightful and shocking letter from the ADC accusing us of 'dumping' - which did not take effect on many others, but did on our small company.

The "current circumstances" for us have been ongoing for nearly two years now, and looks likely to continue on for many more months and years ahead! The **red tape** involved for a SME such as ours is totally unacceptable **and the Commission seriously needs to take this fact into account when making its findings/suggestions and presenting them to the Minister for a final ruling.**

INJURY TO EZY TOOLS & PERSONAL CIRCUMSTANCES: continued:

If we have to keep submitting Duty Assessments every six months, it is indeed an enormous amount of extra work! I have done one to date (a great deal of work and frustratingly with no result still!) and I missed the next one due because of **personal family issues**; my mother-in-law's health deteriorated, she went into hospital and then aged care and then died, this all happened during that **six to eight month period** of time the next DA was due. As I also had to do all that personal paperwork and support my family through the difficult time, **I simply forgot the next DA due!**

I asked for an extension - the ADC is happy to give itself additional 'dates ahead' I am noting, which **I am feeling the effects of as each application keeps being moved into the future and decisions delayed** and more **RED TAPE** piles up for me as a consequence - but I was refused one, as the rules are 'strict' and basically 'inflexible' I was told. I have read many things on the ADC website now and have seen examples of extensions given to others, so I did think '**extenuating circumstances**' such as ours would have made an extension justifiable, but 'no'. We managed to complete our business tasks during this time, **but the 'extras' such as the ADC work naturally got pushed to the side.**

Further: Capral's letter 25th march 2019:

I do not understand the reference to the model "Sample-PC-6A-T1", but I do suspect that if Capral accepts it then it must be something "against" us.

Capral *does not like* the Commission's decision to accept: "Alumac's adjustments to normal value for 'cutting' and 'machining' costs that it **alleges** are incurred on domestic sales". I find the use of the word "**alleges**" by Capral as offensive and of no particular use as an objection here. I presume Alumac presented evidence about their various costs as part of the overall enquiry. I accept they have costs and we have these passed on to us if they go up. We also have costs – it is a part of running any business – and it is acceptable to claim costs.

We also ask Alumac for better prices if we see the LME go down. It is about negotiating the best price we can get for Ezy Tools and for Alumac they are after the best profit margin they can get, after costs. These negotiations are all marginal, small amounts and there are no 'special deals' for us. We have found Alumac to be more reasonable to negotiate with than we ever did any of our past suppliers of extrusions, and that includes Capral (we had them supply us for the first couple of years). We moved on when we realised we were not being treated fairly on price, or volumes; as they were always just increasing their prices without any LME consideration; and as we were 'too small' we had no bargaining power with them at all. Alumac has never treated us like this.

Capral goes on to express concern over the finishes and suggests that: "some models have different anodizing thicknesses and others have differing powder coating costs driven by colour and warranty requirements than others and this can influence model matching outcomes". Ezy Tools products are pretty 'static'; we have a set number of aluminium profiles that we import. We have finishes that are also 'static' for our extrusions. On any order we do, you can clearly see the different finishes we stipulate for each profile: powder coated yellow (one colour only) on a few, Mill Finish or NA6 on the others; all are the same thickness every time we order. We have only one powder coat colour, the yellow; and this is by choice, for 'aesthetics' (our tools are 'silver & gold" by our chosen design, and 'look great' on display) and this colour choice has nothing to do with: "warranty claims" as Capral tries to suggest. ***It is an irrelevant point, we consider our finishes pretty basic and the statement by Capral probably illustrates more about what they do than what we do.***

Down the bottom of the letter Capral requests the Commission: "re-examine the adjustments granted to Alumac for cutting and machining associated with domestic sales and whether these adjustments are warranted". Ezy Tools rejects this as yet another attempt by Capral to further hold up any decision by the Commission in Alumac's favour. ***Why can't Capral just accept such simple decisions and let us 'move on'? There is very little left to object to here; and the objections could only be described as 'thin' or even 'not applicable'.***

NEXT: Response by Ezy Tools to: Statement of Essential Facts (SEF) No. 490 & 494
Due by: 15th April 2019

COUNTERVAILING DUTIES:

SEF 490 provides insights to the *possible outcome* of the current revocation review. The SEF recommends that the current countervailing duty notice for aluminium extrusions exported from Malaysia *be revoked* in relation to aluminium extrusions exported to Australia from Malaysia by Alumac.

If the Minister accepts the Commission's recommendation the current notice will be revoked effective for goods entered for home consumption **on or after 24th August 2018**. This date of effect is the date the Commission **initiated** the Revocation Review 490 (refer Anti-Dumping Notice No. 2018/132). Until a decision is made the current countervailing duties apply...

Ezy Tools would respectfully ask the Minister to:

- Accept the Commission's recommendation to revoke the Countervailing Duties, as it has been found that Alumac has not and does not actually receive any subsidies from the Malaysian government.
- We would also ask that the Minister *use his special decision-making powers to back date and make retrospective these Countervailing Duties to 28th June 2017*

- To when they were first applied to our Ezy Tools imports of our unique aluminium extrusions from Alumac in Malaysia; so as to cover the importation period 28th June 2017 – 27th December 2017 onwards.

The reason that Ezy Tools makes this **special request for the Minister to use his powers** is that we believe these duties should never have been applied to our aluminium extrusions right from the start (as per the reasons outlined above: Alumac not capable of properly responding to the ADC requirements at that time). Alumac has now gained experience and has been able to respond fully & on time for these latest applications. We believe it would be only fair for our company to be refunded, in full, all these duties we have paid; as we believe strongly that we should never have had them applied in the first place.

SEF 494 recommends that the current dumping duty notice for aluminium extrusions from Malaysia and Vietnam, have effect as if different variable factors had been ascertained, relevant to Alumac only.

If the Minister accepts the Commission’s recommendation and signs a dumping duty notice as if the Minister had fixed variable factors in respect of Alumac, the date of effect will be from the Minister’s notice is published on the Public Record (**some date in June 2019?**). Until then the current dumping duty notice applies.

If the Minister Signs and those possible dates apply (24th August 2018 & some date in June 2019):

- Revocation/24th August 2018 – Ezy Tools will still have to try ‘claw back’ Countervailing Duties paid for **shipments No. 11 & 12** (importation period 28th June 2017 – 27 December 2017) for which I did manage to get a Duty Assessment in for on time; and which has yet to be decided. I have no idea yet if this will be successful.
- We will **miss out** on a refund for those duties paid for **shipments 13 & 14** (importation period 28th December 2018 – 27th June 2018) because of the **personal issues** mentioned above, when I did not manage to get a DA in at all.
- I will still have to do a DA for **shipment 15** (importation period 28th June 2018 – 27 December 2018) due in to the ADC right now, **as everything is still not decided and the dates these apply from may require all this paperwork to be done anyway.**
- I will also still have to do a DA for **shipment 16** coming in this Thursday 11 April 2019 (importation period 28 December 2018 – 27 June 2019) as this too falls outside any date that may be chosen (see above).
- **So, a ton of red tape paperwork still ahead for me to do, unless the Minister can see his way to back dating these possible/suggested dates.**

AND APPARENTLY I FACE FURTHER ADMINISTRATION BURDENS:

- I will have paperwork to do for the “refund process” as well (for the *possible* revoked countervailing duties)
- At the very least *we may get some of these duties paid back*; note these were the smaller duty applied of the two **costly** duties imposed on us
- I understand will also have to keep doing **6 monthly paperwork** to do with the “floor price method” if that is the chosen method as has been suggested!
- I ask you not to apply that method and request you apply the **ad valorem method at a rate of 0%**. This method is simple and would better suit our small business.

THE FLOOR PRICE METHOD:

- The “floor price method” will apparently be *quite complex* for me to handle, with some sort of ‘product-by-product’ (line-by-line) mathematics to do to work out some sort of floor price/normal value figure for each line on my order (!)! I’ve only just started to read about this now and it looks very complex!
- The ‘floor price duty method’ would also be ***punitive at times***
- ***And Normal Value is near impossible to follow*** – *have you ever read up on this particular aspect yourself Minister? Try it and ‘walk in my shoes’ for a while. I tried to comprehend it, but failed to do so, and there are so many aspects to it; it is extremely complex.*
- These, “**Floor Price Method**” & “**Normal Value**” & that we would somehow have to work these out per profile (!) for each order (!) would both add even **more administrative burden for me & red tape for our SME**
- As I keep telling you all, we are in fact a “micro” business, with me and my husband working full-time and our two sons now in training to take over and inherit eventually, and they only work part-time at present. None of them could do what I am doing.

ADMINISTRATIVE BURDEN:

- If **Ezy Tools** has this entire administrative burden, so does the **ADC**, as it will also have to deal with all the applications/calculations/paperwork too.
- **Alumac** would also have this extra administrative burden placed on them as our exporter, as they would also have to keep filling out questionnaires as they are doing right now.
- **Capral**, they were told by the ADC, could also start this whole matter over again in 5 years’ time, by “applying for a continuation application”.
- **Alumac**: “will be subject to the measures, ***unless a revocation recommendation is made and accepted by the Minister***, for the period that the measures are in place for”.
- **If the Minister does not accept that Alumac is “not dumping” and revokes BOTH the Dumping Duties as well as the Countervailing Duties, then Alumac will have to repeat this entire application for revocation of dumping duties again in 12 months’ time.**
- And on and on it goes...

CONSEQUENCES FOR US:

- All this is a total waste of my time when I could be doing my work at Ezy Tools; a waste of time for Alumac when they should also be able to concentrate on their business; and more erroneous paperwork for the ADC to process when it is obvious Alumac is not dumping aluminium extrusions, given, as I have said right from the start of this mess, that *we are in fact not dumping anything here* – we are importing our extruded profiles to *manufacture into our 13 hand tools* – and currently we have *an idea for another one*, but are forced to hold back until this mess is cleared up finally!
- We cannot keep innovating, developing prototypes and bother with having another die made for a new profile for a new tool as it is too onerous at present to carry such plans forward for us. And it would just result in more of these unfair ‘dumping duties’ presently applied, so why should we bother we ask?
- This whole ADC matter is holding up the expansion of our business as a manufacturer and wholesaler of **Australian Made hand tools**, both here in Australia, the domestic market, and overseas. We are keen to export more but my time is being soaked up by this ADC work so I cannot do my Sales & Marketing work. **The time we are spending on all this ADC work is stealing time we should be spending our business.**

So, speaking directly to the Commission and to you Minister:

1. Revocation Review 490

- Ezy Tools **supports** the Commission's recommendation **to revoke** the countervailing duty notice in relation to aluminium extrusions exported to Australia from Malaysia by Alumac
- Ezy Tools would ask for the Minister to consider all the points I am making in this objection/response in order to support our application and requests
- I have made such points before, in several applications to the ADC over the last 2 years, much of it on the Public Record, but which the Minister may not have read/have knowledge of, so I am repeating many things here for your consideration
- Ezy Tools would ask for the **revocation to be back dated to cover the entire period it has applied to our SME (micro) company**, so that we may recoup monies paid for **duties we strongly believe should never have been applied in the first place** (through no fault of our own).
- We are the party that has truly 'suffered injury' in all this matter, especially financially.

2. Review 494

- Ezy Tools supports the Commission's finding that exports from Alumac during the investigation period **were not dumped** and requests that the Commission exempt Alumac from Dumping Duties.
- Ezy Tools does **not support** the Commission's recommendation to use a "floor price method", and to set the floor price equal to the ascertained normal value (Rev 494), to determine duties for our extrusions.
- The "floor price method" is totally unsuitable for a business such as ours.
- **This method would seriously increase the administrative burden on our business, specifically on me, one person doing all this work.**
- *Having started to read up on the "floor price method" I can clearly see already that we would fit into the 'problems area' mentioned on the ADC website guidelines.*
- Namely: we have multiple products (13 profiles, but ordered also in different lengths, or MF or anodised or powder coated) so it gets very complex, very quickly!
- Also, our prices go up & down as we bargain using the fluctuations in the LME for slightly better prices when we can.
- Also Alumac will put up prices if the LME increase or other costs such as the powder coating increase etc.
- We could "benefit" or face "punitive" costs/effects as outlined on the ADC website.
- Also, either way (benefit OR punitive) Ezy Tools would still face a mountain of **RED TAPE** should the Commission recommend this method to the Minister.
- It is a fluctuating method of calculation and full of paper work requirements, as well as mathematical calculations (that may well be beyond my abilities).
- It feels designed to 'make me give up the fight', as I can see it will be 'too much' to deal/cope with by myself; in order to save us money, I do all this work.
- **If I had to engage someone to do this work for us it would also add to the costly burden all this ADC work is piling on to our small business.**
- Ezy Tools is a SME (a micro example) and it does not make sense that in a situation where there is a finding of 'no dumping' the Minister imposes a form of duty method

that requires an SME to apply for duty assessments which in turn means there is a further administrative burden on our exporter, Alumac, to complete duty assessment questionnaires to continually prove that the range of export models covered by the single floor price (which are an average of a number of models) are not dumped.

- Should the Commission not accept Ezy Tools recommendation above to exempt Alumac from dumping duties Ezy Tools proposes that the Commission implement the **ad valorem duty method at a rate of 0%** and requests the Minister accept and support this request – in order to stop this burden of **red tape**.

Ad valorem method:

The advantages of *ad valorem* to the circumstances of our business are:

- It is a simple method
- It is the easiest to administer
- It will, hopefully, cut out some of this onerous **red tape** paperwork
- It has an advantage where there are many models or types
- This applies to Ezy Tools: we do have 13 profiles and can have different combinations of these on different orders, as we do not always order the same each time, as this depends on our sales and stocking needs; some of our range of hand tools sell faster than others
- We cannot predict our needs until stocks run low and then we decide which profiles to order; we also have a 'tight budget' (cash flow) and we only order as we need
- We do not carry 'surplus' stock and are often at the point of running out before we get an order in. That means our imports vary considerably, to fit our budget.
- **Since the IDD & ICD have been applied, we've been even 'tighter' with the budget**
- It has an advantage in that it does not require an ascertained export price or ascertained floor, which may not be meaningful where models show significant prices variation
- Our profiles do vary in price as they are all different, some are: hollow, some angled, some non-hollow, some tubes, one is a rod; we design what we need for a tool and have the aluminium profiles drawn up and samples sent, then we approve and do a run of it/them
- The prices vary for each profile & for each length; we may have two lengths for a profile, depending on the cutting we plan for manufacturing a tool
- This significant price variation would mean the 'floor price method' would be an extra burden in terms of paperwork
- Each order may also have different prices for each profile we have on an order, *as we always try negotiate for a better price*, especially if we see the LME has gone down; likewise, Alumac will put up the prices if the LME goes, or any of their other costs e.g. powder coating
- Over time, we have never had the same prices/profiles on any order; the variations are always there and *ad valorem method would help cut the paperwork in terms of duties*
- The *ad valorem* would require less frequent reviews than other duty methods
- *This would be essential for cutting red tape for such a small business as ours*
- We do not import "high priced varieties or models of goods" which better suit other duty methods; our extrusions are simple, not high priced and we "value add" to them by actually manufacturing them into hand tools which we then sell in Australia and overseas
- *They are our "raw materials" for our small (boutique) manufacturing business*

- We are NOT causing “injury to the Australian Industry” at all and we are NOT “dumping”, so *the ad valorem method at a rate of 0% would be the most suitable method to apply to Alumac’s exports (Ezy Tools imports)*
- **There is no “extra” connection between Alumac and Ezy Tools other than supplier/client and there is no dumping taking place, so 0% would be the fairest duty to apply**
- There would be no “lowering of the export prices to avoid the effects of this duty”; Alumac will always seek to make a profit from Ezy Tools as an export client; naturally they most likely want to export more, I know we want to keep expanding our exports
- And, as it says: “where such behaviour is observed when monitoring the measures, an anti-circumvention inquiry can commence”
- *There will be no “such behaviours” and with the SEF 490 & 494 outcomes/results of these investigations it should be now clear: that Alumac is not dumping nor circumventing, so making this one “potential disadvantage” an irrelevant point for consideration*
- It is commonly used by many countries around the world
- It is a duty applied as a proportion of the export price, which we request be set at 0%
- The duty amount, in Australia’s case, is usually the actual FOB (Free On Board) export price multiplied by the percentage dumping duty rate
- **As Alumac and Ezy Tools are not dumping we request that this rate be set at 0%, so that it is simple for Alumac, Ezy Tools, Customs and the ADC to do the paperwork**
- If ad valorem is used and a rate of 0% is set, then Alumac, and thereby Ezy Tools, would not be subject to frequent reviews unlike other duty methods
- **If the floor price method was used, then we would be in the ongoing situation we find ourselves in now, doing masses of paperwork, when we are, in fact not dumping nor circumventing these goods into Australia**
- With *ad valorem* applied (at 0%) Alumac and Ezy Tools could then enjoy the duty method that “shows the most stability overtime”, and we could then both get on with running our respective businesses without so much **red tape** imposed on us from outside agencies

Australia’s anti-dumping system is technical and complex, which we have found out by being caught up in the ‘blanket anti-dumping’ tactics of Capral Aluminium and for nearly 2 years now; it is very unfair for a SME (micro manufacturing business) like ours to be subjected to such onerous and demanding administrative requirements, when (as I keep saying) we are not even dumping or circumventing.

An ad valorem duty method is one of the simplest forms of duty and is easy to administer. It is the obvious duty method that should be applies to Alumac’s exports to Ezy Tools (0%).

IN CONCLUSION:

The implications for our business have been complex and demanding and have taken up a great deal of my administration time over nearly 2 years now. The paperwork I have had to do, has far outstripped any other work I have done for local sales or exports administration or even tax work (I do our BAS tax).

It is a pile of work in my office that doesn’t stop growing.

In this submission, we request several things that hopefully would take some of this burden off us/me and our current and future administration requirements. I realise I still have a long way to go even now, before this 'settles' in any way.

All we are asking is that some degree of 'common sense' be applied and we are hoping that the Commission and the Minister can see through all the complex regulations and help us in some way. We do not see why we have to prove over and over that we are not dumping when it is so obvious by now that we are not.

I cannot believe the work I have had to do given I know full well Alumac and Ezy Tools are not dumping or circumventing; the actions of Capral have caught up two very 'small fish' in the net of some very complex anti-dumping regulations. And yes, Alumac didn't handle it well in the first instance, due to inexperience, complex English to deal with and also being a SME.

Ezy Tools P/L has paid out what, to our business, are very large amounts of duties on imports of our own aluminium extrusions which we use to manufacture a range of 13 hand tools. The possibility that we may not get these refunded in full is astounding to us. We have not been dumping or countervailing, yet have been 'punished' in this way and completely unfairly in our opinion; we have had duties imposed on our business that should never have been applied in the first place. It has all been totally unbelievable, a 'nightmare scenario' of being 'caught up' in a complex web of government regulations.

The entire process had been frustratingly illogical for us and very difficult to 'satisfy' in terms of the complex requirements we have had to deal with and respond to. We, Ezy Tools and Alumac, have both 'skilled up' partially now, but it doesn't get easier at all. The work never seems to stop or have a 'result'; dates are constantly moved forward and decisions are slow to come. Even when they do, they are next to impossible to understand or comprehend; we have to ask "what does it mean?" each time we get any report/outcome/document.

We are hoping **Revocation Review 490 & Review 494** will finally has a *positive outcome* for us and that we can get back to where we were before all this started; and that we can get on more with 'normal' business. We are also hoping to recoup at least some of, if not all, the duties that have been paid unfairly by us to date.

We cannot understand why the IDD is not being revoked along with the ICD when it was found that Alumac is not dumping (having a negative dumping margin) or that a *floor price duty method* would be suggested for the same reason, Alumac is not dumping. An *ad valorem duty method* of 0% would be more appropriate for this and due to excessive **red tape** for such small businesses.

Regards,

Diann Grass,

Administration & Accounts & Sales & Marketing @ Ezy Tools P/L