



Anti-Dumping Commission  
Dr Bradley Armstrong PSM  
Commissioner  
Investigations4@adcommission.gov.au

Dear Dr Bradley Armstrong PSM,

**Re: Investigation No. 554 and the Preliminary Affirmative Determination**

We appreciate and respect the Commissions objective to protect Australian manufacturing when and where it can be protected, however the Builders Film industry changed 15-20 years ago. The industry evolved where most Australian Manufacturers became Australian Importers or simply closed. The intent of the Anti-Dumping Commission trying to save the manufacturing of Builders Film in Australia we feel is too late. Even I, once being a manufacturer of Builders Film and Co-Director of G.E.M Plastics Pty Ltd, had the foresight for the future and changed direction to adapt and survive ensuring continued employment for Australians.

Imposing Duties/Securities on Builders Film now will certainly jeopardise many Australian businesses, jobs, and the industry itself. This is an extremely serious situation.

We request that you consider the following points regarding your investigation prior to a formal decision:

- Australia, for many years, has not had the capability to manufacture the volume of Builders Film required to meet the Australian market demand. This is evident in the findings on Page 48 of the Statement of Essential Facts No.554, where the commission could not find any entities currently manufacturing Builders Film in Australia, other than the one business who raised a complaint, Cromfords.
- Throughout the entire Statement of Essential Facts document, the reference is that all information is based on the "Australian Industry", but the information gathered is only from Cromfords. Also, the "Australian Market Analysis" on page 48 is wholly based on one company too, Cromfords. We believe this is bias against us, as a wholly Australian owned and operated company with over 20 employees.
- The Australian Builders Film Industry primarily consists of many Australian Importers, Warehousing, Transport and Logistics companies employing numerous Australians across the country. This is the current Industry as it stands today. And as an industry we have faced many challenges over the past 18 months stemming from the pandemic which has left many Australian companies on the brink of collapse and closure. These include a 600% increase on International Sea Freight, shortage of raw materials (scrap plastic), constant shipping delays, wharf strikes etc. If these Duties/Securities are imposed, it will affect our business and possibly cripple the entire industry with regards to competitiveness.
- Builders Film could become short supply, as Cromfords can only make a small percentage of Australia's demand. If the Anti-Dumping Commission enforces Duties/Securities, the results will be devastating. Construction could be affected, many construction workers might be unable to work, and further impacts will flow through to other industries relying on the Construction Industry to complete projects.
- The industry has significantly changed since the investigation period in 2019, therefore the data is now void and no longer relevant. As described throughout this document. The reasons the commission has based their recommendations on are no longer accurate. The areas the commission listed on page 6 are:
  - **Reduced sales volume:** No longer accurate - Cromfords lost their largest customer ARC/Infrabuild, so their sales volume dropped in the investigation period. They have since started supplying Bunnings and increased their sales at Blackwoods/Wesfarmers, two of

the largest buyers in the country, therefore their sales volume would have increased to pre-investigation period levels.

- **Reduced market share:** No longer accurate - Cromfords market share dipped in between losing one large customer and winning two larger ones. We believe market share is back, if not better, to pre-investigation period.
- **Price suppression:** We have had a lot of new competitors enter the market over the past few years. These are Australian companies, not overseas companies, which have led to our margins decreasing. This is typical in most markets, whether importers are involved or not. Competition can often drive down price and improve service levels.

**Price depression:** Incorrect - The Commission reviewed our pricing with ARC/Infrabuild, which is no longer accurate. In-line with our increased freight costs (which Cromfords are not as exposed to) we have increased our prices 3 times with ARC/Infrabuild. So, our prices are now 19.8% to 23.8% higher (across all sizes) making us possibly even more expensive than Cromfords. Therefore, a Duty/Securities is not needed as we believe the market has evened out whether you are an Australian Manufacturer or Importer.

- **Reduced profit and profitability:** As above.
- **Reduced revenue:** No longer accurate - Whenever a business loses their major customer then their revenue drops. However, new sales from Bunnings and Blackwoods/Wesfarmers, would have driven Cromfords revenue up significantly.
- **Reduced return on investment:** As above.

- Since gaining Bunnings and expanding Blackwoods/Wesfarmers, Cromfords are likely to be at manufacturing capacity and we know they are unable to supply their smaller customers. In the past month or so, we have had several customers, who had stopped buying from us, return as Cromfords supply lead times are too long. If these Duties/ Securities are enforced, many Australian Importers could go out of business and consequently Cromfords will have a monopoly on the market, and could possibly over charge their customers, and will not be able to supply the whole country anyway.
- Compare apples with apples – The Landing Cost of Black High Impact 4m x 50m Builders Film at the time of the investigation was approx. \$50 and it is now \$71 and rising. This is a huge increase to our costs that the Commission has not considered. With the huge increased Freight costs, Cromfords we feel, is not at all disadvantaged by manufacturing themselves or have been injured, in fact they have a lot more advantages as they have more control over production than what we or our other competitors have.
- Cromfords has strengthened their business by increasing their Assets during the time of the investigation, as revealed on page 56.
- The Commission has determined that Cromfords were injured by losing their largest customer to an Australian Importer, however there is NO mention of when we or other Australian Importers have lost business to Cromfords which has happened many times over the past 15-20 years.
- The Bunnings and Blackwoods/Wesfarmers sales, that Cromfords recently won, was taken directly from an Australian Importer who imported from Malaysia.
- The timing of Cromfords complaint is interesting, as we and other Australian companies, have been importing Builders Film for over 15 years. It's only immediately after Cromfords lost their key account, ARC/Infrabuild, did they have an issue with our imported stock and pricing.
- The perception of the Australian market declining in the PAD is false, it simply represents Cromfords losing one customer at a particular point in time. If this is the Commission's view, then the "Australian Market" has increased in the past 12 months, as Cromfords sales volume and revenue have increased, and Price Dumping has clearly not occurred or injured the market.
- Davmar repeatedly requested the commission visit and tour any of our sites, Chipping Norton NSW, Derrimut VIC, or Beenleigh QLD to obtain a better understanding of both the Builders Film industry and our business, which to date has not happened. However, on page 19, it says Cromfords was visited by the commission and able to provide a site tour. If the business putting in the complaint was given a visit

by the commission, then a business being investigated by the commission should have also had an opportunity, particularly when one was formally requested, to have a visit. We find this very bias and unfair.

- Davmar is currently price disadvantaged from Cromfords. In addition, the Commission wants to add further price disadvantages to Davmar by implementing variable % duty on the listed manufacturers.
- Another key consideration is that the PAD, directly opposes the MAFTA (Malaysia-Australia Free Trade Agreement). The Department of Foreign Affairs and Trade has achieved great outcomes on the MAFTA, particularly with the introduction of the Malaysia-Australia Free Trade Agreement Joint Commission. Isn't our Australian Government working together to assist all Australian businesses, whether they are Importers, Exporters or Manufacturers?
- **Most importantly**, there was no warning that provisional interim dumping securities would be imposed in which case we could have made other decisions, such as changed our stock ordering. The Commission is fully aware of the 3-4 month turn around on stock orders, so a grace period of 6 months notification of such securities is reasonable for an Australian business. At the end of the day, we are an Australian business with Australian employees, who cooperated fully with the Anti-Dumping Commission, knowing full well we have not broken any laws or legislations. We have lost tremendous amounts of money as our newly printed product catalogue is now obsolete, and the many thousands spent on marketing, postage, etc. was in vain.

We hope for a fair investigation where all information is current, even if this means a new investigation needs to begin with the current relevant data. We are seeking a fair and just outcome.

It is beginning to appear that the Anti-Dumping Commission is doing everything they can to put us last, or possibly even out of business, not to mention the rest of the industry, excluding one company, Cromfords. If the Commission does not take the time to review the current data, and pause the interim securities, then it would seem the commission may have already predetermined the outcome prior to the investigation.

I seek further feedback from the Anti-Dumping Commission regarding this letter and again urgently request a visit to our premises, particularly now we are out of Lockdown, from the Commission and/or Minister as part of the investigation and prior to any final decisions being made.

Thank you for your time and assistance with this serious and dire situation.

Kind regards,

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Director/Owner

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