Australian Government
Anti-Dumping Review Panel

Customs Act 1901

Notice under section 269ZZI

Freight Railway Wheels exported from the People's Republic of China

The Anti-Dumping Review Panel (Review Panel) received an application from Baowu Group Masteel Rail Transit Materials Technology Co., Ltd (Masteel) seeking review of the decision of the Minister for Industry and Innovation and Minister for Science to publish a notice under sections 269TJ(1) and (2) of the *Customs Act 1901* (the Act) concerning Freight Railway Wheels exported from the People's Republic of China (the Reviewable Decision).

The Reviewable Decision was published on the Australian Trade Remedies Commission (Commission) website on 28 August 2026 (ADN 2026/116).

The Review Panel is satisfied that the following grounds are reasonable grounds for the Reviewable Decision not being the correct or preferable decision:

Ground 1

The finding in REP 690 Appendix D4.1.4 and D4.1.6 that steel billet was provided to Masteel for less than adequate remuneration, and the amount of benefit found under Program 1, were not determined "having regard to prevailing market conditions for like goods or services in the country where those goods or services are provided" as s 269TACC(4) of the Act requires.

The Commissioner wrongly:

(a) adopted the benchmark constructed for a different statutory purpose under s 269TAC(2)(c);
(b) did not separately answer the question s.269TACC(4) poses; and
(c) built the benchmark on a premium derived from Chinese price data the Commissioner had stated could not be sourced.

On the face of the record, the resulting benefit is the difference between two published price series and does not measure the adequacy of the remuneration Masteel actually paid.

Ground 2

The finding in REP 690 Appendix D4.1.3 that MIS and Masteel's other steel billet suppliers are public bodies within s 269T(1) of the Act rests:

(a) on evidence of government ownership and control (ultimate state shareholding, a Party committee, general corporate and state-assets legislation; articles of association); and
(b) on an assumption drawn from the absence of a Government of China questionnaire response.

REP 690 identifies no legal instrument vesting governmental authority in any supplier and no governmental function performed by any supplier in the commercial sale of billet.

Ownership and control, without more, do not establish that an entity is a public body. Absent that finding there is no financial contribution under Program 1.

Ground 3

Masteel submitted, at section 4 of its submission dated 18 June 2026 in response to SEF 690, that the Turkish benchmark used to construct the normal value remained embedded in the calculation of the Program 1 benefit and produced an inflated countervailing duty.

Chapter 12.4 of REP 690 restates that submission as a request to consider whether double counting would occur, answers it by describing an adjustment to the dumping margin that has no operation for an exporter who pays no dumping duty, attributes that adjustment to a document that predates the submission, and gives no reason directed to Masteel's position.

A decision reached without addressing the submission as put is not the correct or preferable decision, and the absence of reasons on the point leaves the benefit measurement in Ground 1 unexplained.

Ground 4:

The Minister's satisfaction under s 269TJ(1)(b) of the Act that material injury to the Australian industry was caused "*because of*" the subsidy received in respect of Masteel's goods rests on findings in chapters 8.7, 9.3, 9.8.8 and 9.9.1 of REP 690 that are inconsistent with one another and with the termination of the dumping investigation as to Masteel. The same price gap at the single model Masteel sold is described as "*marginal*" in chapter 8.7 and as "*approximately equal*" to 10 per cent in chapter 9.9.1, on prices extrapolated to quarters in which neither party sold that model. Chapter 9.8.8 proceeds on the footing that "*all exports from China were dumped and subsidised*", which is untrue of Masteel.

The remedied price analysis assumes, without evidence, that the whole of the subsidy found passed into Masteel's export price. Those findings do not constitute the objective examination on positive evidence that the statutory question requires.

Ground 5

The Commission's stated practice requires it, where a countervailable domestic subsidy is combined with a normal value constructed from a surrogate country, to "avoid any double counting effect". That obligation is engaged by the configuration present in this case, and by its terms it is not confined to cases in which both a dumping duty and a countervailing duty are imposed. The Commission gave effect to it in the only way its practice describes, by deducting the subsidy from the dumping margin. For Masteel, whose dumping investigation was terminated, that deduction operates on nothing.

The effect the obligation is directed at - the use of the same surrogate benchmark differential both to construct the normal value and to measure the Program 1 benefit - therefore remains in the countervailing duty, uncorrected. Having addressed the double count only by a dumping-side mechanism incapable of operating for this exporter, the Commission did not give proper effect to it, and imposed a countervailing duty that, to the extent it reflects that differential rather than the subsidy conferred on Masteel, is not confined to the amount of the subsidy found to exist.

Ground 6

The finding in REP 690 Appendix D4.5.4 that grants under Programs 690-15, 690-16 and 690-17 conferred a benefit "in relation to the goods" was not a finding that any benefit from those grants reached freight railway wheels.

The Commissioner accepted that the grants were approved for, disbursed against and accounted for as axle production assets. The Commissioner countervailed them against the goods on the basis that wheels and axles are made within one business unit that shares overheads and services, and that grants to axle lines therefore confer "indirect benefits" on wheels through "operational synergies".

That reasoning identifies no asset, cost or function of wheel production that the grants funded, and it would treat every grant to any product of a multi-product enterprise as a subsidy in respect of every other product.

In the alternative, the amount attributed to each unit of the goods under s 269TACD(2) of the Act was not "properly attributable" to those units, because the Commissioner treated the grants as benefiting all products of the rail equipment business unit, wheels and axles alike, and then attributed the whole amount across a turnover base described as the "railway product business unit" and the "broader railway wheel category". If that base excludes axle turnover, the numerator and the denominator do not match and the per-unit subsidy is overstated. Masteel's submission on these programs of 22 May 2026 was set aside under s 269TDAA(3) and answered for the first time in the final report.

The Review Panel proposes to conduct a review of the Reviewable Decision in relation to the above grounds, as set out in the application for review.

The goods to which this application relates are:

Railway wheels of forged and rolled high carbon steel, with an outside diameter from 27.5 inches to 37.5 inches (699 millimetres to 953 millimetres), whether or not including alloys.

Further information on the goods

The railway wheels are manufactured in accordance with relevant user defined specifications and drawings, and are used on rail carriages/wagons in freight transport.

The wheels used in all user applications have the following typical characteristics:

- *outside diameter from 27.5 to 37.5 inches (699 to 953 millimetres (mm)), and of similar overall dimensional tolerances and shape*
- *are manufactured from a high carbon steel with the addition of micro alloying elements to achieve hardness and mechanical properties, as defined by user/customer specifications*
- *are manufactured using a forging and rolling process in accordance with defined standards, and*
- *are suitable to operate at axle loads of up to 36 metric tonnes, as defined by user/customer specifications.*

Exclusions

Axles and other components are excluded from the description.

Submissions

Interested parties have **30 days** after the date on which this notice is published to provide the Review Panel with a submission. Your submission should indicate your eligibility to make a submission as either an interested party to the Reviewable Decision or as one of the specified entities under s 269ZZJ of the Act.

If your submission contains confidential information, you must provide a public version that can be published on the Review Panel website. Failure to do so will result in your submission not being considered. All information that is confidential or commercially sensitive must be highlighted in yellow in the confidential version of your submission.

You may either email your submission to ADRP@industry.gov.au or mail the submission to:

Anti-Dumping Review Panel Secretariat
GPO Box 2013
Canberra City ACT 2601

Persons wishing to make further inquiries about this review should telephone (02) 6276 1781. A copy of the application for review and other documents are available on the public record of the review at www.adreviewpanel.gov.au

Interested parties may wish to subscribe to receive email updates when new content is published on the Review Panel website (above) in relation to this and other reviews. Information on how to subscribe is on the Review Panel website in the section ‘Subscribe for updates’.

The reports of the original investigation are available on the Commission website at www.adcommission.gov.au

Scott Ellis
Panel Member
Anti-Dumping Review Panel
16 November 2026