

Investigation 691: The costs to Australian small businesses, construction jobs and housing choice

Response to Statement of Essential Facts 691, submitted by Austrahomes Pty Ltd (Victorian residential builder)

To: Australian Trade Remedies Commission, for consideration in its final report, and the Minister for Industry and Innovation and Minister for Science.

Position: We support fair competition and acknowledge the preliminary finding of material injury to Australian window manufacturers. Our concern is that duties may shift substantial costs onto Australian SMEs, small builders and homebuyers, while also reducing the affordability of architectural choice. We request careful evidence-based consideration of these consequences and lawful, proportionate options that avoid unnecessary disruption.

Core warning: Import-reliant Australian businesses may have little ability to absorb a sudden loss of orders. Their workers, warehouse leases, specialist equipment and finance obligations remain even when work disappears. A gain for domestic manufacturers should not be confused with a net gain for every Australian business.

1. What the Commission has already found

The Commission estimates the FY2025 Australian market for relevant aluminium windows and doors at about A\$2.8 billion, with Chinese imports supplying approximately 19% of the market. It preliminarily finds dumping, material injury to Australian producers and capacity among local manufacturers to increase output. The Australian industry includes the lead applicant and 25 supporting producers, as well as other producers. Those findings must be acknowledged, not ignored. [1, sections 4.7, 5.1-5.4 and 9.9]

Interim import securities took effect for covered goods entered from 15 October 2026; rates differ by exporter. The highest published combined security rate is 73.3% for the specified uncooperative/all-other-exporter category. It is not a blanket rate on every Chinese window. Measures are not a ban, and future import volumes are uncertain. [2]

The Commission also says its statutory investigation does not require a general public-interest or whole-economy cost-benefit test. We therefore ask the Commission to consider our material insofar as it is relevant to competition, like goods, market segments, substitutability, capacity, causation and potential product-specific treatment. Separately, we respectfully request that the Minister consider the wider downstream impacts when deciding whether to impose measures. [1, section 2.4.12; Customs Act 1901, Part XVB]

2. The Australian businesses exposed beyond the factory gate

An imported window or window component can support substantial Australian work after shipment and before handover. These are not hypothetical occupations: they are functions that builders regularly need to deliver a completed house. The potential harm differs by business type:

Australian business	Mechanism of possible harm if import volumes fall
Importers, distributors and brokers	Fewer consignments and orders; reduced commissions and margin; existing stock, deposits and working capital at risk.
Warehousing and assembly workshops	Idle floor space, machinery and forklifts; continuing rent, utilities, insurance and equipment finance; less glazing and finishing work.

Australian business	Mechanism of possible harm if import volumes fall
Road carriers and freight forwarders	Fewer port-to-warehouse and warehouse-to-site movements; unused vehicles and staff time; overseas ocean-freight revenue is not Australian value added.
Crane hire, riggers and specialist handlers	Reduced lifting work for large panels and doors; repayments continue on vehicles, equipment and specialist cranes.
Installers, glaziers, locksmiths and maintenance trades	Fewer projects or less specialist work; rescheduling; lower utilisation of small crews and subcontractors.

Important distinction: Australian-made windows also require transport and installation. Work that shifts to those products is not automatically lost. The clearest risk falls on services specific to importing, particular assembly methods, and small operators who cannot quickly win replacement work.

3. Australian people and fixed business costs

Austrahomes works with three independent installers. We also know a specialist installer who borrowed approximately A\$200,000 to buy lifting equipment. This is direct industry experience, not a claim that these examples statistically represent the whole country. It demonstrates why even a temporary fall in orders can put pressure on livelihoods, finance repayments and family businesses.

A small importing or assembly business cannot instantly cancel a warehouse lease, sell a forklift, recover an equipment deposit or retrain a specialised team. A tariff-driven change in sourcing can therefore cause real losses during the transition, even if some of the broader industry eventually adapts.

4. National market scale: the product price is excluded

For transparency, our model starts with official published market context and then applies explicit assumptions. It is not an official estimate of Australian downstream turnover or losses.

Step	Calculation	Illustrative result
Published Australian AWD market, FY2025	Commission estimate [1]	A\$2,800m
Chinese market share, FY2025	19% [1]	19%
Chinese product-market sales proxy	A\$2,800m x 19%	A\$532m / year
Australian handling/service intensity - low	A\$532m x 15%	A\$79.8m / year
Australian handling/service intensity - central	A\$532m x 25%	A\$133.0m / year
Australian handling/service intensity - high	A\$532m x 35%	A\$186.2m / year

A\$79.8m-A\$186.2m per year is a scenario range for Australian-related handling and service turnover associated with Chinese-sourced products, excluding the A\$532m window product value. The 15%-35% assumptions have not been empirically validated. The A\$532m figure is a proxy derived from market sales share, not a verified customs import value; market sales may already include some distribution margin. It must be reconciled against business invoices to avoid double counting. Offshore freight and non-Australian suppliers must be excluded from any national Australian value-added figure.

5. Four-year loss exposure: disruption is not equal to lost income

The crucial step is to consider how much import-linked service turnover would actually disappear, and how much would be replaced by handling Australian-made windows or other products. The central model is A\$133m in estimated annual service turnover at baseline, then tests different hypothetical reductions in that activity.

Scenario	Service turnover disrupted / year	4 years disrupted	4 years unreplaced if half the work is won back
20% reduction in import-linked work	A\$26.6m	A\$106.4m	A\$53.2m
50% reduction in import-linked work	A\$66.5m	A\$266.0m	A\$133.0m
80% reduction in import-linked work	A\$106.4m	A\$425.6m	A\$212.8m

Interpretation: Under these assumptions, A\$106m-A\$426m in four-year gross business activity could be disrupted, or A\$53m-A\$213m could remain unreplaced if 50% of displaced activity is captured elsewhere by the same businesses. These are not proven national losses, profit losses, job losses or GDP losses; nor are they forecasts of what the duties will cause. Replacement rates could be much higher or lower, and local manufacturers and workers may gain activity. The four-year values hold nominal annual assumptions constant for illustration only.

6. Warehouse leases and local assembly: a second stress test

Because covered goods include certain partially assembled frames, panels and sashes, locally based importers who glaze, finish or assemble those products may face disruption. The Commission makes an important distinction between such fabricated imported goods and basic aluminium extrusions that are manufactured into windows in Australia. Not every input used by an Australian assembler is necessarily covered. [1, sections 3.3 and 4.5]

Illustrative portfolio of affected SMEs	Annual exposure	Four-year exposure
100 businesses each paying A\$75,000 annual rent	A\$7.5m total rent commitments	A\$30.0m rent commitments
25% of that rented capacity becomes unusable and cannot be sublet	A\$1.875m of rent tied to unused space	A\$7.5m of rent tied to unused space

This is not an observed count of 100 affected firms and is not an additional amount to add to section 5: rent is an expense funded by business revenue and a receipt to landlords. The model illustrates stranded commitments, not a net Australian GDP loss. Whether leases can be reassigned, premises re-used and workers redeployed is decisive.

Employment illustration, not a prediction: if 100 hypothetical affected SMEs each employed six people, they would employ 600 workers in total. Even a 10% workforce reduction across that hypothetical group would affect 60 jobs; at 25%, 150 jobs. There is no verified national dataset in this submission establishing the number of affected firms, actual staffing, redundancy rates or total jobs at risk. We ask that those figures be obtained before the final decision.

7. Construction delays multiply the costs far beyond the window invoice

A late window shipment can delay making a home weather-tight, scheduling follow-on trades, achieving finance milestones and handing over the completed dwelling. Small builders often cannot transfer every day of extra cost to their customers. The delay scenarios below apply an assumed A\$180 per home per day solely as a simple stress test, not as an established Australia-wide daily cost or evidence that duties will produce these delays.

Homes actually delayed	Extra delay	Illustrative additional site/finance cost
1,000 homes	14 days	A\$2.52m
3,000 homes	30 days	A\$16.20m
10,000 homes	60 days	A\$108.00m

ABS data show 16,953 dwellings were approved nationally in August 2026 (seasonally adjusted), but approvals do not establish how many homes depend on Chinese windows or would be delayed. [3] Delay costs are separate contingent costs; they must not automatically be added to a turnover figure or multiplied by four without evidence of recurring delays.

8. The price and design of a custom home are not minor matters

The SEF notes window and door costs of approximately 5%-7% of construction cost for a typical three-to-four-bedroom home, subject to considerable variation. [1, section 2.4.12] Consider a purely illustrative A\$500,000 home build. At 5%-7%, its windows and doors might represent A\$25,000-A\$35,000. If the price of that same window package rose 20%, the additional cost would be A\$5,000-A\$7,000 per home. For 10,000 similarly affected homes, that would be A\$50m-A\$70m in higher purchasing costs. None of those assumptions establishes the actual duty pass-through or the number of affected homes.

A custom home builder does not choose glazing only by price or minimum code compliance. Large doors, oversized panels, narrow framing, corner glazing and customised opening systems can define the natural light, outdoor connection and architectural character of a house. When suitable alternatives become unaffordable or slower to obtain, homeowners may delete openings, reduce glazing area, redesign a facade or abandon bespoke features. This would be a loss of design choice and amenity, not proof that domestic products are lower-quality or non-compliant.

The National Construction Code contains performance requirements addressing adequate natural light and ventilation. A home may still meet these minimum standards while falling short of a client's preferred openness, daylight, outlook or architectural quality. [4] Australian manufacturers can and do produce premium architectural products; the relevant question is whether equivalent size, glazing, performance, lead time, warranty and installed cost are available to an ordinary client.

9. Market concentration is a risk to test, not a monopoly finding

Our concern is that reducing effective competition could strengthen the bargaining position of particular established suppliers, especially for custom sizes, larger openings or limited-lead-time projects. The effect could be greater for small builders than volume builders that buy large quantities. However, the record identifies numerous Australian producers, and the existence of a monopoly or future price increases has not been established. [1, sections 4 and 5]

We ask for segment-specific evidence: how many firms can actually quote and deliver the same unusual product, at equivalent performance and compliance, within a normal custom-home program? Published general production capacity is relevant, but capacity across all window types does not by itself establish competitive supply for a particular size, system or project deadline.

10. Requests to the Commission and the Minister

To the Commission, within the statutory scope of Part XVB:

- Explain how evidence from independent builders and import-dependent Australian SMEs affects findings on substitutability, product scope, market segmentation, domestic capacity, available alternatives and conditions of competition.
- Disclose the methodology, where practicable and lawful, for testing spare capacity against actual custom-window specifications, delivered-and-installed prices and lead times, rather than only aggregate production capacity.

- Consider lawful product distinctions and existing statutory mechanisms for any specialised goods that cannot be comparably sourced, and clearly explain exporter-specific treatment and transitional effects of interim securities.
- Identify the limits of available data on Australian jobs, rents, assembly operations, service revenue and the ability of firms to replace import-dependent work.

To the Minister, when considering the final recommendation:

- Consider the potential for concentrated gains to particular manufacturers alongside losses and adjustment costs to SMEs, workers, custom builders and households, recognising the Commission has stated that it does not conduct a general public-interest test.
- Consider risks of insolvency or redundancies among firms with fixed leases, specialist equipment finance and constrained alternative work, without assuming all import-related employment disappears.
- Consider price, timing and architectural choice for small residential projects, and request further analysis or appropriate action available under the law before making the final decision.

11. Evidence that would allow the consequences to be measured

A defensible national estimate requires importer and SME surveys recording: Australian-only service revenue by function; number of employees and hours worked; wages, rents and fixed equipment repayments; share of turnover dependent on covered goods; the proportion of lost work realistically replaceable; comparable Australian quotes and delivery dates for specialised windows; and confirmed projects delayed because of supply changes. Report employment and operating profit separately from gross turnover and distinguish unavoidable losses from activity that moves to Australian suppliers.

Closing submission: The Commission's preliminary findings concerning Australian manufacturing deserve serious consideration. So do the Australian people working in assembly workshops, warehouses, freight businesses and on building sites. The risk is that a measure targeted at factory injury causes avoidable disruption to a wider group of businesses. We ask that those consequences be made visible before a final decision, and that any measures be as targeted and proportionate as the law permits.

Submitted by: Director, Austrahomes Pty Ltd | Victoria, Australia

References and calculation notes

[1] Australian Trade Remedies Commission, Statement of Essential Facts No. 691, 14 October 2026. Relevant sections: 2.2 (submissions and legal procedure), 2.4.12 (public interest and housing cost), 3.3 and 4.5 (covered goods and locally completed inputs), 4.7 (capacity), 5.1-5.4 (market and competition), 9.9 (alternative injury factors).

<https://www.industry.gov.au/sites/default/files/atrc/public-record/2026-10/691-501-report-statement-of-essential-facts-sef-691.pdf>

[2] Australian Trade Remedies Commission, Trade Remedies Notice No. 2026/147, 14 October 2026 (preliminary affirmative determination and securities from 15 October). https://www.industry.gov.au/sites/default/files/atrc/public-record/2026-10/691-502-notice-trn-2026-147-findings-of-a-preliminary-affirmative-determination_0.pdf

[3] Australian Bureau of Statistics, Building Approvals, Australia, August 2026, 16,953 total approvals (seasonally adjusted). <https://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release>

[4] Australian Building Codes Board, National Construction Code 2022, Volume Two, performance provisions H4F4 (light) and H4F5 (ventilation). <https://ncc.abcb.gov.au/system/files/ncc/ncc2022-combined-vol2-housing-provisions.pdf>

[5] Customs Act 1901 (Cth), Part XVB, including sections 269TEA and 269TL, as described in the SEF [1].

How to interpret the calculations: All costs are nominal AUD. The 19% market share and A\$2.8b market total come from [1]; every service intensity (15%-35%), volume reduction (20%/50%/80%), recovery rate (50%), firm count (100), staffing (six), rent (A\$75,000), extra window-price change (20%), housing cost (A\$500,000), delay count and A\$180 daily cost is an openly labelled author-assumed scenario. No annual or four-year turnover illustration is a finding of national loss of profit, jobs or GDP. Do not add categories without eliminating overlaps. Actual measures vary by exporter and actual behavioural responses are unknown.

Publication: This is a public, non-confidential submission intended for the Commission's Electronic Public Record. It contains no named private customers or confidential supplier quotes. Submission deadline stated in the SEF: 3 November 2026.