

Date : 28/9/2026

To: The Hon Don Farrell
Minister for Trade and Tourism
Parliament House
Canberra ACT 2600
Australia

Re: SEF 696 – Proposed Anti-Dumping Duties on Concrete Underlay Film from Malaysia: A Call to Protect Australian End Users, Households, and ESG Commitments

Dear Minister,

I am Karen Ng, Chief Operating Officer of JL Plastic Industries Sdn. Bhd., a Malaysian manufacturer and exporter of concrete underlay film. Our company has supplied the Australian market for many years and is directly affected by the Anti-Dumping Commission's Statement of Essential Facts No. 696 (SEF 696). I write to you not only as an exporter but as a stakeholder deeply concerned about the negative consequences that the proposed continuation and steep increase in anti-dumping duties will have on Australian construction end users, households, and Australia's own environmental and trade policy objectives.

The proposed increase is disproportionate and will not achieve its stated purpose:

SEF 696 proposes to increase the duty rate for cooperative exporter GCI from 14.2% to 16.7%, and for all other exporters—including JL Plastic Industries—from 20.1% to a punitive 63.6%. This is a dramatic escalation. Yet the Commission's own findings show that import prices from Malaysia "have not materially changed since the anti-dumping measures were first introduced," despite duties already ranging from 11.4% to 23.2%. If five years of existing duties have failed to alter pricing behaviour, extending them at nearly triple the rate for most exporters will not succeed. It will only raise costs for Australian buyers.

Direct harm to Australian construction costs, inflation, and housing affordability

Concrete underlay film is a mandatory input for residential and commercial slab construction. Australian builders are already under immense pressure: 3,472 construction companies entered insolvency in 2025–26 (one in four of all Australian insolvencies), and building material prices rose 9.2% in the June 2026 quarter alone. A 63.6% duty on the majority of Malaysian supply will inevitably flow into project costs, worsening inflation, causing cost overruns, and further delaying housing delivery. This directly contradicts the government's goal of easing cost-of-living pressures and boosting housing supply. The end users—families building homes, small builders, and renovators—will bear the brunt.

Environmental and ESG inconsistency: The hidden cost of forced domestic production

The Australian government champions ESG compliance and a circular economy. However, the processing of waste plastic into recycled resin in Australia is not inherently “green.” It involves:

- High water consumption to clean contaminated waste plastic before processing;
- High electricity consumption for low-value products, often drawing on fossil-fuel grids;
- Pollution risks from microplastics and chemical runoff during cleaning and extrusion;
- A cost structure that is up to 50% higher than imported recycled resin, making it economically unviable without permanent subsidies.

Cromford Film states that it uses “a high proportion of recycled resins produced from post-consumer and post-industrial plastic”. However, the domestic cost of producing recycled resin in Australia is approximately double the premium for imported recycled resin, reflecting higher energy, labour, and regulatory costs. Australian recyclers face a structural cost disadvantage of up to 50% above virgin resin prices.

Forcing a shift to domestic production by penalising imports does not make the process ESG-compliant. It merely shifts environmental burdens to Australia while raising costs. A true ESG policy would assess the full life-cycle impact—including the environmental cost of domestic recycling—rather than assuming local production is always superior. Has the Commission conducted such an assessment? If not, the proposed duties may inadvertently undermine Australia’s own environmental goals.

Breach of the spirit of MAFTA and risk of trade conflict

The Malaysia–Australia Free Trade Agreement (MAFTA) commits both nations to open trade and includes a “lesser duty” rule: duties should be less than the dumping margin where a lesser duty would remove injury. The SEF states that the non-injurious price (NIP) was not less than the normal value, so the full margin is recommended. But the Commission has not demonstrated that a 63.6% rate is the minimum necessary to prevent injury. Given that import prices have not changed under existing duties, there is no evidence that such an extreme rate is justified. Australia routinely applies the lesser duty rule, reducing rates by an average of 15%. Continuing with a 63.6% rate would contravene MAFTA’s spirit and risk escalating trade tensions between our two countries—something neither Malaysia nor Australia can afford.

Critical questions the government must answer

Before imposing such damaging measures, we respectfully ask:

- What is Cromford Film's annual tax contribution to the Australian economy, compared to the cost savings that imported Malaysian film provides to the construction industry and households?
- How does the government reconcile the proposed duties with its own inflation targets, given that construction material costs are already a key driver of CPI?
- How will the government control the environmental impact of forcing more domestic recycling—specifically water use, electricity consumption, and pollution—when the grid and recycling infrastructure are not yet equipped for it?
- What evidence is there that Australian end users will benefit from this protectionism, rather than simply paying more for the same product?

Request for reconsideration and engagement

I urge you, as Minister for Trade, to:

1. Direct the Anti-Dumping Commission to reassess the proposed rates against the lesser duty rule and the demonstrated lack of price movement under existing duties;
2. Commission an independent public interest and ESG impact assessment before finalising measures, covering downstream construction costs, housing affordability, and environmental trade-
3. Engage with MITI and the MAFTA Joint Commission to resolve this matter through dialogue rather than unilateral tariff escalation;
4. Meet with Malaysian exporters and Australian end-user representatives to hear firsthand the consequences of the proposed duties.

The measures are due to expire on 17 December 2026. There is still time to choose a path that protects Australian industry without punishing Australian families and builders. I sincerely hope you will take these concerns seriously.

Name: KAREN

Position: Chief Executive Officer

Email: karennmp@jlp-group.com

Phone: +6012-294-9488

