PUBLIC FILE

Application for the publication of

dumping and/or

countervailing duty notices

Structural Timber

Exported from the People's Republic of China

September 2026

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act)[1], that the Minister publish in respect of goods the subject of this application:

☐ a dumping duty notice, or

☐ a countervailing duty notice, or

☒ a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

[1] All legislative references are to the *Customs Act 1901*.

Australian Forest Products Association Ltd

Signature: [sgd]

Name: [redacted]

Position: [redacted]

Company: Australian Forest Products Association Ltd

ABN: 40 008 621 510

Date: 30 September 2026

Associated Kiln Driers Pty Ltd

Signature: [sgd]

Name: [redacted]

Position: [redacted]

Company: Associated Kiln Driers Pty Ltd

ABN: 34 004 341 048

Date: 30 September 2026

Hyne & Son Pty Ltd

Signature: [sgd]

Name: [redacted]

Position: [redacted]

Company: Hyne & Son Pty Ltd

ABN: 67 009 660 95

30 September 2026

OneFortyone Wood Products Pty Ltd

Signature: [sgd]

Name: [redacted]

Position: [redacted]

Company: OneFortyone Wood Products Pty Ltd

ABN: 80 621 555 682

Date: 30 September 2026

Timberlink Australia Pty Ltd

Signature: [sgd]

Name: [redacted]

Position: [redacted]

Company: Timberlink Australia Pty Ltd

ABN: 12 161 213 015

Date: 30 September 2026

IMPORTANT INFORMATION

About this form

Section 269TB(4)(b) of the Act requires that an application under section 269TB of the Act for publication of a dumping duty notice or a countervailing duty notice must be in a form approved by the Commissioner under section 269SMS(1) for those purposes. This is the approved form.

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Anti-Dumping Commission's (the commission's) Client support section for advice.

NB: Where an application is made by an agent acting with authority on behalf of a company, joint venture, trust or sole trader, an authority to act letter must be provided with this application.

Assistance with the application

The commission provides a free-of-charge document checking service, available prior to formal lodgement, to assist applicants to ensure that their applications meet the documentary requirements, see "before you apply": https://www.industry.gov.au/anti-dumping-commission/apply-anti-dumping-or-countervailing-duties-measures

The commission has also published guidelines to assist applicants with the completion of this application: https://www.industry.gov.au/anti-dumping-commission/apply-anti-dumping-or-countervailing-duties-measures

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated, and which are not a related body corporate for the purposes of the *Corporations Act* 2001), may obtain assistance, at no charge, from the Department of Industry, Science and Resources' the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au/ITRA, email us at itra@industry.gov.au, or telephone the ITRA Service Hotline on +61 2 6213 7267.

The Commission's client support section can also provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46 or +61 2 6213 6000 (outside Australia)
Email: clientsupport@adcommission.gov.au

Further information is available from the Commission's website at www.adcommission.gov.au.

On page 27 of this application form, the commission lists the appendices referenced in different questions in the form. These appendices should be used to supply information for an application for the publication of dumping and/or countervailing duty notices and can be accessed on the commission's website, here: B108 Appendices

Important information

To initiate an investigation into dumping and/or subsidisation, the commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and
- information that is reasonably available be supplied.

The commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

- **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
- **Part B** relates to evidence of dumping.
- **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2….P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels P^1…P^n are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the commisison will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the commisison will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices

Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled Attachment A2.2. If a second organisation chart is provided in response to the same question, it should be labelled Attachment A2.2.2 (the first would be labelled Attachment A2.2.1).

Provision of data

Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.
- If the data cannot be presented electronically please contact the Commission's client support section for advice.

Lodgement of the application

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by:

(i) email, preferably, using the email address clientsupport@adcommission.gov.au

(ii) upload to SIGBOX (SIGBOX is our secure online lodgement platform, suitable for large files or attachments - email us to arrange access), or

(iii) post to:
The Commissioner of the Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

As currently applied:

- Applications are taken to be lodged or received by the Commissioner when it is first received by a commission staff member doing duty in relation to applications.
- Staff members are taken to be on duty receiving applications from 9:00am to 5:00pm (AEST or AEDST) on business days that are not an Australian Capital Territory public holiday, or during Annual Closedown*.

Definitions in this application:

1. ***AEST*** means Australian Eastern Standard Time.
2. ***AEDST*** means Australian Eastern Daylight Savings Time.
3. ***business day*** means a day that is not a Saturday or Sunday.
4. ***Annual Closedown*** means the 3 business days the Commission is closed between Christmas Day and New Year's Day.

* Public holidays are listed at: https://www.fairwork.gov.au/employment-conditions/public-holidays

Public Record

During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The commission maintains a public record of these submissions. The public record is available on the commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Australian Forest Products Association Ltd

Contact Name:	[redacted]
Company and position:	[redacted]
Address:	PO Box 9589 Deakin ACT 2600
Telephone:	[redacted]
E-mail address:	[redacted]
ABN:	40 008 621 510

Alternative contact

Name:	[redacted]
Position in company:	[redacted]
Address:	PO Box 9589 Deakin ACT 2600
Telephone:	[redacted]
E-mail address:	[redacted]

Associated Kiln Driers Pty Ltd

Contact Name:	[redacted]
Company and position:	[redacted]
Address:	7-15 Forest Street Colac VIC 3250
Telephone:	[redacted]
E-mail address:	[redacted]
ABN:	34 004 341 048

Alternative contact

Name:	[redacted]
Position in company:	[redacted]
Address:	7-15 Forest Street Colac VIC 3250
Telephone:	[redacted]
E-mail address:	[redacted]

Hyne & Son Pty Ltd

Contact Name:	[redacted]
Company and position:	[redacted]
Address:	160 Kent Street Maryborough QLD 4650
Telephone:	[redacted]
E-mail address:	[redacted]
ABN:	67 009 660 95

Alternative contact

Name:	[redacted]
Position in company:	[redacted]
Address:	160 Kent Street Maryborough QLD 4650
Telephone:	[redacted]
E-mail address:	[redacted]

Onefortyone Wood Products Pty Ltd

Contact Name:	[redacted]
Company and position:	[redacted]
Address:	Level 35, 2 Southbank Blvd, Southbank VIC 3006
Telephone:	[redacted]
E-mail address:	[redacted]
ABN:	80 621 555 682

Alternative contact

Name:	[redacted]
Position in company:	[redacted]
Address:	150–152 Jubilee Highway East, Mount Gambier SA 5290
Telephone:	[redacted]
E-mail address:	[redacted]

Timberlink Australia Pty Ltd

Contact Name:	[redacted]
Company and position:	[redacted]
Address:	Level 2, 37 Dalmore Drive Scoresby VIC 3179
Telephone:	[redacted]
E-mail address:	[redacted]
ABN:	12 161 213 015

Alternative contact

Name:	[redacted]
Position in company:	[redacted]
Address:	Level 2, 37 Dalmore Drive Scoresby VIC 3179
Telephone:	[redacted]
E-mail address:	[redacted]

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	Chad Uphill
Business name:	Chad Uphill Trade Advisory
Address:	P.O. Box 3004, Minnamurra, NSW 2533
Telephone:	+61 2 412 377 603
E-mail address:	chad@cutrade.com.au
ABN:	31 207 328 729

A-2 Company information

1. State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.

This application is made by the Australian Forest Products Association (**AFPA**) and the following members of the Australian structural timber manufacturing industry (**the Applicants**):

- Associated Kiln Driers Pty Ltd (**AKD**);
- Hyne & Son Pty Ltd (**Hyne**);
- Onefortyone Wood Products Pty Ltd (**OFO**); and
- Timberlink Australia Pty Ltd (**Timberlink**).

2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Refer Confidential Attachment A-2.2.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

Refer Confidential Attachment A-2.3.

4. If your company is a subsidiary of another company list the major shareholders of that company.

Refer Confidential Attachment A-2.4.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Refer Confidential Attachment A-2.5.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Refer Confidential Attachment A-2.6.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

[***confidential text deleted:*** *commercially sensitive applicant response details*]

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

Such relationships are not maintained by the Applicants.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Refer A-7.3 below for annual report details. Refer Non-Confidential Attachment A-2.9 for relevant brochures/pamphlets.

10. Provide details of any relevant industry association.

The Australian applicant members who manufacture structural timber are members of the following associations:

- the AFPA;
- Forest & Woods Products Australia (FWPA);
- Engineered Wood Products Association (EWPA);
- Frame and Truss Manufacturers Association (FTMA);
- Australian Timber Importers Association (ATIF);
- Timber NSW (TN);
- Timber QLD (TQ);
- Timber Preservers' Association of Australia (TPAA);
- Housing Industry Association (HIA); and
- National Timber & Hardware Association (NTHA).

A-3 Industry support requirements (standing)

It is a requirement that your application is supported by a sufficient part of the Australian industry who produce or manufacture like goods in Australia. This means Australian producers or manufacturers (including you as the applicant) whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, your application.

1. Complete appendix A1 (Australian production) to identify all known Australian producers or manufacturers (including the applicant) of like goods. Confirm the application is supported by a sufficient part of the Australian industry.

- Where production volumes are not available, provide estimates.
- Include evidence that producers or manufacturers support or oppose an application.

The Applicants to this application who manufacture structural timber are:

- Associated Kiln Driers Pty Ltd;
- Hyne & Son Pty Ltd;
- Onefortyone Wood Products Pty Ltd; and
- Timberlink Australia Pty Ltd.

Combined, these members comprise [*XX*] percent of the Australian production of structural timber.

Supporting industry members to this application are Wesbeam Pty Ltd (the sole Australian producer of laminated veneer lumber structural timber), Wespine Industries Pty Ltd, and AAM Timber.

With support, this application represents 100 percent of the Australian production of like goods.

Confidential Appendix A1 provides the required Australian industry details for the proposed July 2025 – June 2026 (**FY2026**) investigation period.

A-4 The imported and locally produced goods

Questions 1 - 3 refer to the imported product the subject of your application. These are known throughout an investigation as 'the goods under consideration' or 'the goods'. Question 4 refers to your production that is known as 'like goods'.

1. What are the goods the subject of your application?
    - Provide a concise description of the physical characteristics of the goods as it would appear at the place of import in Australia.
    - This concise description will be used to assess the goods subject to the application throughout the investigation and in imposing measures if a dumping or countervailing duty notice is published.
    - If certain physical characteristics are intended to be excluded from the goods subject to the application, provide details of these characteristics.

The imported goods from China the subject of this application are:

> *Structural timber, whether solid-sawn or engineered (Laminated Veneer Lumber), whether or not treated, having a cross-sectional area of less than 150cm^2.*

Further information

The goods are structural timber, stress-graded or suitable for stress-grading to relevant Australian and New Zealand standards (including AS/NZS 1748, AS/NZS 4357, AS 2082, and AS 2858), with a characteristic mean Modulus of Elasticity (MOE) within the range of 6,900 to 15,200 megapascals (MPa) (inclusive).

The goods encompass the full range of structural timber products used in residential, commercial, and industrial framing, as well as other load-bearing structural and non-structural applications. Without limitation, this includes:

a. Laminated Veneer Lumber (LVL): engineered timber (derived from pine, spruce, or other softwood or hardwood species suitable for structural stress-grading) designated by an 'E' grade rating (e.g., E8, E10, E12, E13.2, E14, E15) in accordance with AS/NZS 4357;

b. Solid-Sawn Timber: softwood or hardwood species suitable for structural stress-grading, where the goods are classified as Machine Graded Pine (MGP) (e.g., MGP10, MGP12, MGP15) under AS/NZS 1748, or assigned an F-grade via visual or mechanical stress grading under AS 2082 or AS 2858; and

c. Other Engineered Timber: any other engineered wood products performing a structural function equivalent to items (a) and (b).

Exclusions

The goods exclude plywood, glued-laminated timber (glulam), cross-laminated timber (CLT), and prefabricated I-joists.

2. Provide any further details of the goods that would assist in identifying whether a product is the subject of your application:
    - Include physical, technical or other properties not already mentioned in question 1.
    - Where the application covers a range of products, list this information for each make and model in the range.
    - Supply technical documentation where appropriate.

A full response to this question is included at A-4.4 below.

3. List the tariff classification(s) and statistical code(s) of the imported goods.

Subject good imports are classified to the following tariff classifications and statistical codes:

Tariff classification	Statistical code	Description
4470.11.99	05	Radiata pine treated with waterborne preservatives, having a cross-sectional area of less than 120cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves)
4407.11.99	06	Radiata pine treated with other than waterborne preservatives, having a cross-sectional area of less than 120cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves)
4407.11.99	07	Radiata pine, untreated, having a cross-sectional area of less than 120cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves)
4407.11.99	08	Wood of pine, having a cross-sectional area of less than 120cm2 sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves; radiata pine)
4407.11.99	13	Radiata pine, treated, having a cross-sectional area of 120cm2 or greater but less than 450cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves)
4407.11.99	14	Radiata pine, untreated, having a cross-sectional area of 120cm2 or greater but less than 450cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves)
4407.11.99	15	Wood of pine, having a cross-sectional area of 120cm2 or greater not less than 450cm2, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6mm (excl. planed or sanded; cut to size for making staves; radiata pine)
4407.12.99	18	Fir and spruce, having a cross-sectional area of less than 120cm2, sawn or chipped lengthwise, sliced or peeled, whether or not end-jointed, of a thickness exceeding 6mm (excl. wood cut to size for making staves)
4407.12.99	19	Fir and spruce, having a cross-sectional area of 120cm2 or greater but less than 450cm2, sawn or chipped lengthwise, sliced or peeled, whether or not end-jointed, of a thickness exceeding 6mm (excl. wood cut to size for making staves)
4412.41.10	21	Laminated Veneered Lumber With At Least One Outer Ply Of Tropical Wood Specified In Additional Note 2 (Excl. Mandio-Queira, Pau Amarelo, Quaruba and Tauari)
4412.41.90	22	Laminated Veneered Lumber With At Least One Outer Ply Of

		Tropical Wood (Excl. Wood Specified In Additional Note 2 Other Than Mandio-Queira, Pau Amarelo, Quaruba And Tauari)
4412.41.41	00	Laminated Veneered Lumber With At Least One Outer Ply Of Tropical Wood Of The Species In Additional Note 1
4412.41.00	00	Laminated Veneered Lumber Lvl, With At Least One Outer Ply Of Tropical Wood (Excl. Of Bamboo, Plywood Consisting Solely Of Sheets Of Wood <= 6 Mm Thick, Sheets Of Compressed Wood, Cellular Wood Panels, Inlaid Wood And Sheets Identifiable As Furniture)
4412.42.00	23	Laminated Veneered Lumber With At Least One Outer Ply Of Non-Coniferous Wood
4412.42.42	00	Laminated Veneered Lumber With At Least One Outer Ply Of Non-Coniferous Wood
4412.42.00	00	Laminated Veneered Lumber Lvl, With At Least One Outer Ply Of Non-Coniferous Wood (Excl. Of Bamboo, With An Outer Ply Of Tropical Wood, Plywood Consisting Solely Of Sheets Of Wood <= 6 Mm Thick, Sheets Of Compressed Wood, Cellular Wood Panels, Inlaid Wood)
4412.49.00	24	Laminated Veneered Lumber With Both Outer Plies Of Coniferous Wood
4412.49.49	00	Laminated Veneered Lumber With Both Outer Plies Of Coniferous Wood
4412.49.11	00	Other Laminated Veneered Lumber, With Both Outer Plies Of Coniferous Wood And At Least One Inner Ply Of Tropical Wood
4412.49.19	00	Other Laminated Veneered Lumber, With Both Outer Plies Of Coniferous Wood And At Least One Inner Ply Of Other Tropical Wood
4412.49.20	00	Other Laminated Veneered Lumber, With Both Outer Plies Of Coniferous Wood And At Least One Inner Layer Of Particle Board
4412.49.90	00	Laminated Veneered Lumber, With Both Outer Plies Of Coniferous Wood (NES)
4412.49.00	00	Laminated Veneered Lumber Lvl, With Both Outer Plies Of Coniferous Wood (Excl. Of Bamboo, With An Outer Ply Of Tropical Wood, Plywood Consisting Solely Of Sheets Of Wood <= 6 Mm Thick, Sheets Of Compressed Wood, Cellular Wood Panels, Inlaid Wood And Sheet)

4. Fully describe your product(s) that are 'like' to the imported product:
    - Include physical, technical or other properties.
    - Where the application covers a range of products, list this information for each make and model in the range.
    - Supply technical documentation where appropriate.
    - Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

Overview

The Australian industry producing like goods manufactures two structural timber products. The first, LVL, is the same product as the imported Chinese goods, and is manufactured in Australia by Wesbeam Pty Ltd (**Wesbeam**). The second, machine-graded structural pine (**MGP**) (grades MGP10, MGP12 and MGP15) and F-grade structural timber, is manufactured by the industry Applicants in a range of framing and light-structural end-section sizes. Australian-made LVL is identical to the imported goods; Australian-made MGP has characteristics closely resembling them. On either basis, the Australian industry produces

like goods to the imported goods within the meaning of s 269T of the *Customs Act 1901*. The unifying characteristic of the goods is their function: they are timber products that meet, or are suitable for, structural performance thresholds for use in load-bearing construction.

The term "engineered" refers to LVL in which thin timber veneers are bonded with structural adhesives to form a composite member with predictable engineering properties. LVL is the predominant form in which Chinese structural timber products compete with Australian-produced structural timber in the Australian market.

The goods description is framed as a single functional structural grade product category. This reflects the commercial reality that Australian structural timber producers compete directly against both Chinese LVL and Chinese solid sawn structural timber, and that these products are functionally interchangeable in the applications described.

Because part of the Australian industry manufactures LVL itself, the Applicants submit that the like-goods requirement is satisfied at the highest level. Wesbeam produces structural LVL in Australia to the same product standard as the imported goods (AS/NZS 4357), in the same sections and for the same structural applications. Australian LVL is therefore identical to the imported goods. It is the same product, made by the same process and characterised under the same product standard. Wesbeam is a member of the Australian industry producing like goods and supports this application.

The Applicants manufacture MGP/F-grade structural timber. MGP/F-grade structural and the imported LVL are not identical in all respects; the former is solid sawn timber and the latter a veneer-based engineered product, a difference of production process. The Applicants demonstrate however that MGP/F-grade structural timber shares the same essential physical character, design basis, span-table framework, distribution channels, end uses and engineering-property specification as the imported goods, and therefore has characteristics closely resembling them. The imported subject goods compete directly with, and are substitutable for, the Applicants' MGP/F-grade structural timber.

The relevant test

Subsection 269T(1) of the *Customs Act 1901* defines like goods as goods that are identical in all respects to the goods under consideration or, although not alike in all respects, have characteristics closely resembling those goods.[2] The definition is satisfied by both Australian products: the Australian-made LVL falls within the first branch (identical goods), and the Applicants' MGP/F-grade structural timber falls within the second (closely resembling goods).

Where goods are not identical, the Anti-Dumping Commission (**the Commission**) assesses whether they have closely resembling characteristics by reference to four considerations: physical likeness, commercial likeness, functional likeness and production likeness. The Commission's *Dumping and Subsidy Manual* (**the Manual**)[3] states that a comparison of production process will not of itself establish like goods, and that goods classified to the same tariff heading will often (but not always) be physically alike, so that other indicators of likeness may be required. Functional (end-use) and commercial likeness are therefore central to the assessment.

Physical/technical aspects imported Chinese LVL

LVL is manufactured by rotary-peeling logs into thin veneers, drying and grading the

[2] Customs Act 1901 (Cth), s 269T(1), definition of "like goods".
[3] Dumping and Subsidy Manual, December 2021.

veneers, bonding them with a structural adhesive (typically phenol-formaldehyde) with veneer grain direction predominantly along the length, and hot-pressing the assembly into a billet that is sawn to finish size. Chinese structural LVL is commonly produced from plantation softwood (including radiata and Masson pine) and hardwood veneers. It is supplied in the same rectangular framing end-sections as sawn timber and is manufactured and characterised as structural LVL under the AS/NZS 4357 standard.[4]

The imported goods are marketed into Australia as a direct substitute for Australian framing timber. Suppliers specify LVL by stiffness (E) grade (most commonly E10 with a characteristic modulus of elasticity (**MOE**) of 10,000 MPa) and cross-reference their product to Australian MGP grades to established Australian structural-timber brands, confirming that the imported goods are sold for, and marketed against, the same structural applications served by MGP/F-grade structural timber.[5]

Physical/technical aspects of the Australian like goods

The Australian industry member Wesbeam produces a structural LVL that is the same product as the imported goods.

Wesbeam manufactures LVL in Australia under AS/NZS 4357 and publishes declared characteristic design values for its structural LVL, including a characteristic modulus of elasticity together with the associated characteristic bending, tension, compression and shear values set out below. Because Australian and imported LVL goods are the same product, characterised under the same standard, the imported goods are identical to goods produced in Australia.[6]

Australian structural LVL (Wesbeam e-frame E10 LVL - declared characteristic value for design (on edge))	**AS/NZS 4357**
Average Modulus of elasticity, E	10,000 MPa
Average Modulus of rigidity, G	500 MPa
Bending strength, f′b	22.6 MPa
Tension strength parallel to grain, f′t	10.2 MPa
Compression strength parallel to grain, f′c	18.0 MPa
Shear strength in beams, f′s	2.6 MPa

Non-Confidential Table A-4.4.1: Declared characteristic values for Australian-made structural LVL, characterised under AS/NZS 4357 (the same standard and the same product as the imported goods)

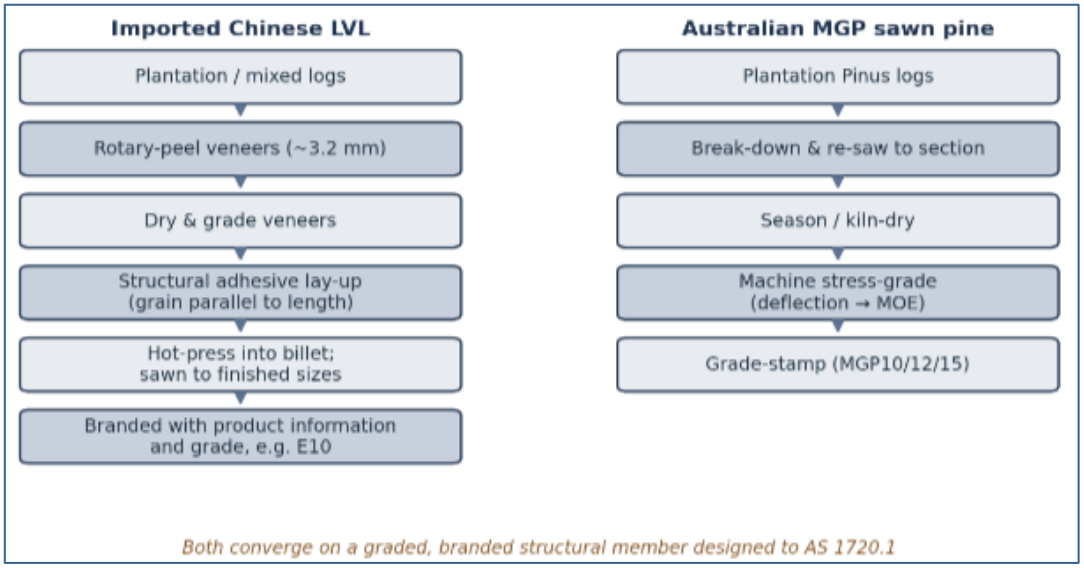
The Applicants' MGP/F-grade structural timber is produced from Australian plantation *Pinus* species. Each piece is machine stress-graded. Product structural properties are measured non-destructively and the piece is grade-stamped MGP10, MGP12, MGP15, or F-5. Stress grading and the derivation of characteristic values are governed by AS/NZS 1748, and design properties are set out in AS 1720.1.[7]

The grade designation corresponds to the characteristic MOE (stiffness) of the timber:

[4] Confidential Attachment A-4.4.1: AS/NZS 4357.0, Structural laminated veneer lumber – Specifications. See also WoodSolutions, "Laminated Veneer Lumber (LVL)", https://www.woodsolutions.com.au/wood-species/wood-products/laminated-veneer-lumber-lvl.
[5] For example, see Chinese LVL supplier product listings cross-referencing MGP grades and Australian structural brands: Fushi Wood Group, https://www.fushiwoodgroup.com/product-laminated-veneer-lumber-lvl.html.
[6] Refer https://wesbeam.com/Wesbeam/media/Documents/Design%20Info%20Docs/Design-criteria-e-frame-E10.pdf
[7] Confidential Attachment A-4.4.2: AS/NZS 1748, Timber – Stress-graded – Product requirements; Confidential Attachment A-4.4.3: AS 4063, Characterization of structural timber; Confidential Attachment A-4.4.4: AS 1720.1, Timber structures, Part 1: Design methods.

MGP10 has a characteristic MOE of 10,000 MPa, MGP12 of 12,700 MPa and MGP15 of 15,200 MPa.[8]

MGP is supplied in the same rectangular framing sections as the imported goods (for example 90 millimetrers (**mm)** wide × 35mm thick, 70mm wide x 35mm thick, 90mm wide × 45mm thick, 140mm wide × 45mm thick, 190mm wide × 45mm thick, and 240mm wide × 45 mm), with the same optional preservative treatments (e.g. H2, H3) for the same service conditions.



Non-Confidential Figure A-4.4.1: Different processes but converge on structural timber designed to AS 1720.1.

Physical likeness

The like goods and the imported goods are closely resembling. Both are timber-based (predominately softwood) rectangular structural members supplied in the same nominal framing sizes and lengths; both are used in trusses and wall frames in the same orientation; both are branded with a structural grade stamp; both are available with equivalent preservative treatment; and both present the same working characteristics on site or in a fabrication plant (they are cut, fixed and fabricated with the same tools and connectors). The one genuine physical distinction is that LVL is an assembly of glued veneers while MGP-F-grade are a single solid timber section. This is a consequence of the production process and does not alter the physical function the member performs.

Functional likeness

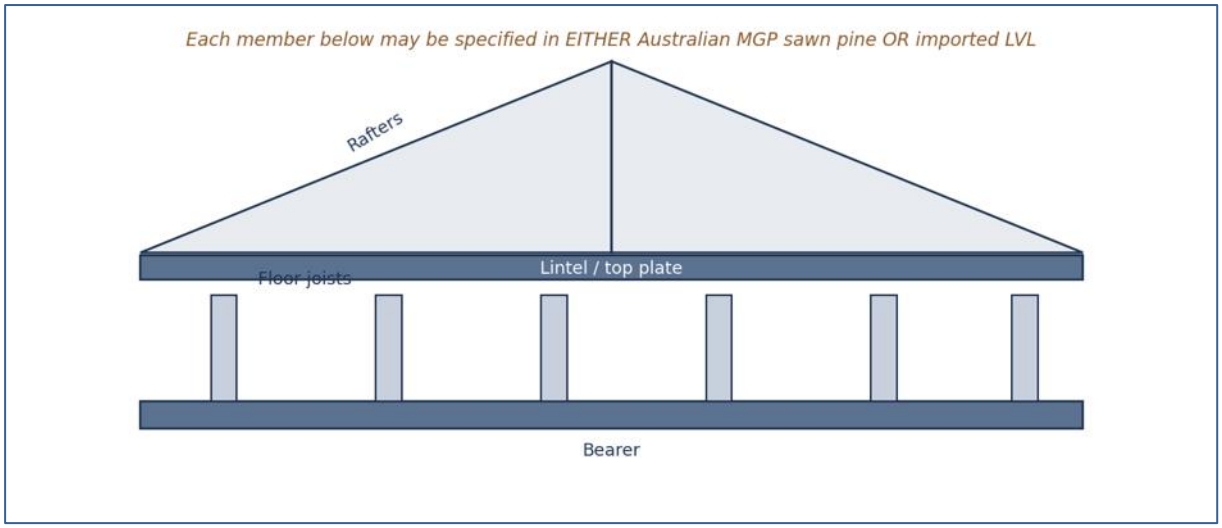
The imported goods and the like goods have the same end uses. Both are permanent structural framing members used as wall frames (studs and plates, floor joists and bearers, and lintels), and roof trusses. Both are designed under the same Australian standard, and both are specified in residential construction against the span tables in AS 1684, for which dedicated span-table sets are published for MGP10, MGP12 and MGP15.[9]

As both products are designed to AS 1720.1 and specified against equivalent span tables, a

[8] QTimber (Queensland Department of Agriculture and Fisheries), "Strength groups and stress grades", https://qtimber.daf.qld.gov.au/guides/strength-groups-and-stress-grades; characteristic design properties for MGP grades are given in AS 1720.1, Appendix H.

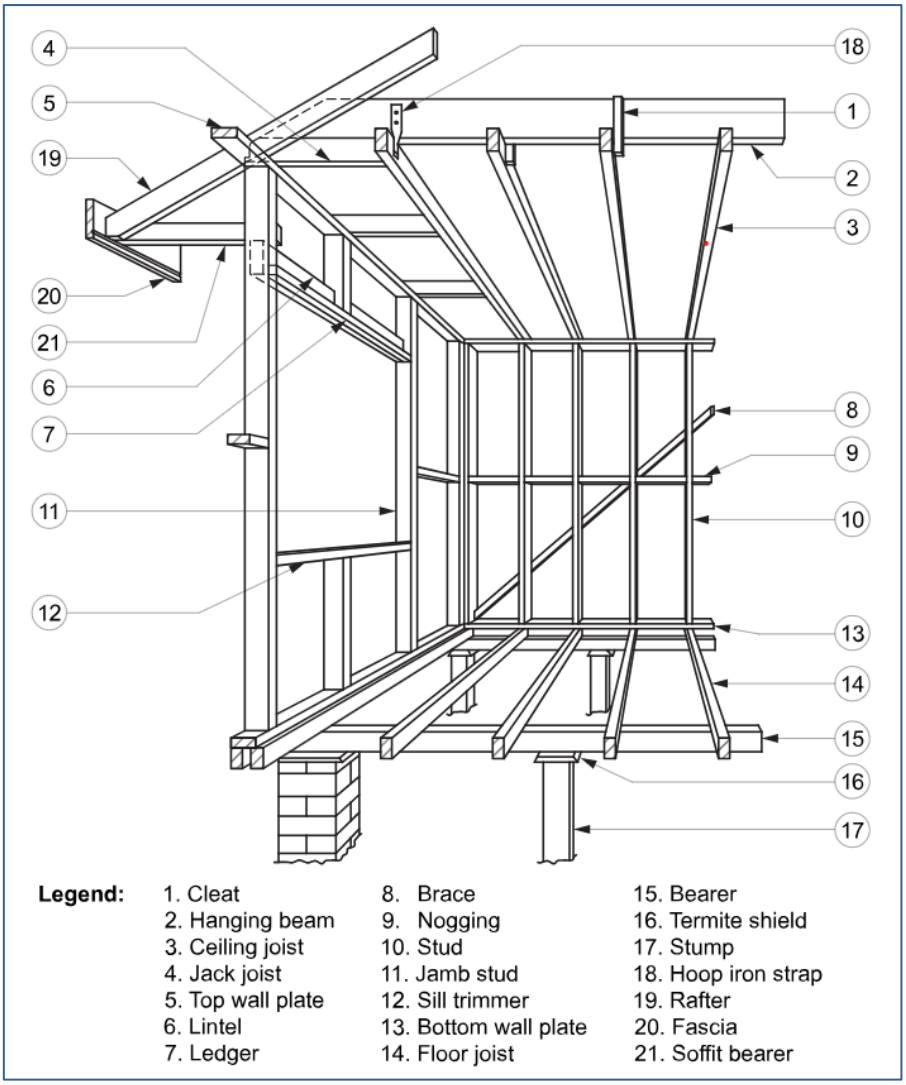
[9] Confidential Attachment A-4.4.5: AS 1684, Residential timber-framed construction — supplements and span tables are published for MGP10, MGP12 and MGP15. See also WoodSolutions (footnote above), noting LVL "...can be used wherever sawn timber is used".

builder or frame-and-truss fabricator sizing a given member (for example, a lintel over an opening, a floor joist, wall frame or roof truss components, etc) can select either MGP or LVL to perform the identical structural function. The products are functionally substitutable.



Non-Confidential Figure A-4.4.2: Framing members may be specified in either Australian machine-graded pine or imported LVL. The two products fill the same roles in the same building

The National Construction Code (**NCC**) presents the above in further technical detail below:



Non-Confidential Figure A-4.4.3: Figure 3.4.0.3 of the NCC (2019, volume 2, part 34, framing)

Commercial likeness

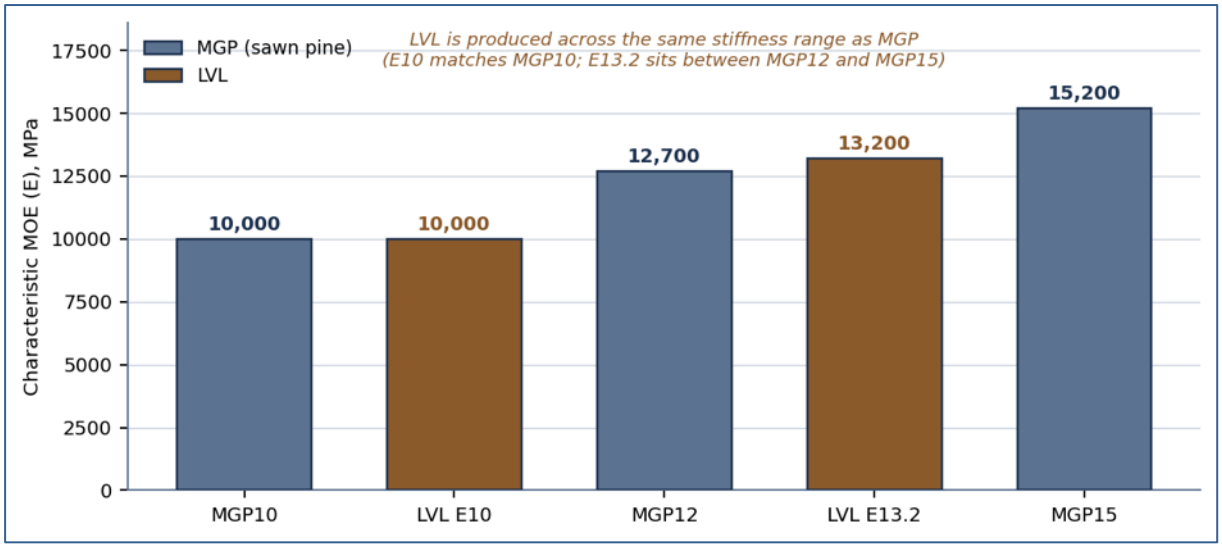
The like goods and the imported goods are directly competitive in the Australian market. They are sold through the same distribution channels (timber merchants, hardware retailers and frame-and-truss fabricators) and are routinely stocked side by side and offered as alternatives for the same project/job. Merchants list MGP grades and LVL beams together and advise customers to choose between them by reference to span and load.[10]

Critically, the market specifies both products on a single engineering scale, being the characteristic modulus of elasticity (E-value) together with the associated characteristic stresses. Structural LVL is produced across the same stiffness range as machine-graded pine: LVL E10 corresponds to MGP10 (both 10,000 MPa), and LVL E13.2 (13,200 MPa) sits between MGP12 (12,700 MPa) and MGP15 (15,200 MPa), as Non-Confidential Chart A-4.4.1 shows.

Structural timber is increasingly specified by these engineering properties rather than by manufacturing method, so that the products are chosen against one another on stiffness,

[10] See, e.g., Big River Group, "Frame & Truss", listing MGP grades and LVL members together, https://www.bigrivergroup.com.au/products/category/frame-truss/.

span capacity and price. The willingness of participants in the supply chain to switch between the products on those criteria, and the close price competition between them, are indicators of commercial interchangeability.[11]



Non-Confidential Chart A-4.4.1: Characteristic modulus of elasticity (stiffness). LVL is produced across the same stiffness range as MGP: E10 matches MGP10, and E13.2 sits between MGP12 and MGP15, confirming that the products are specified against one another on the same engineering properties

Production likeness

While the solid sawn like goods and the imported goods are made by different processes – LVL by lamination of veneers, MGP by sawing and machine stress-grading of solid timber – it does not negate likeness. Different production processes may yield goods with closely resembling characteristics, and a comparison of production process does not of itself establish like goods. In this case, the two processes produce structural timber members that share the same essential physical character, the same design basis, the same applications and the same market, differences in process notwithstanding.

Models/products

This application covers a range of range of comparable structural timber products/models. These have been detailed in the proposed Model Control Code below at A-4.11.

5. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

Refer above at A-4.4.

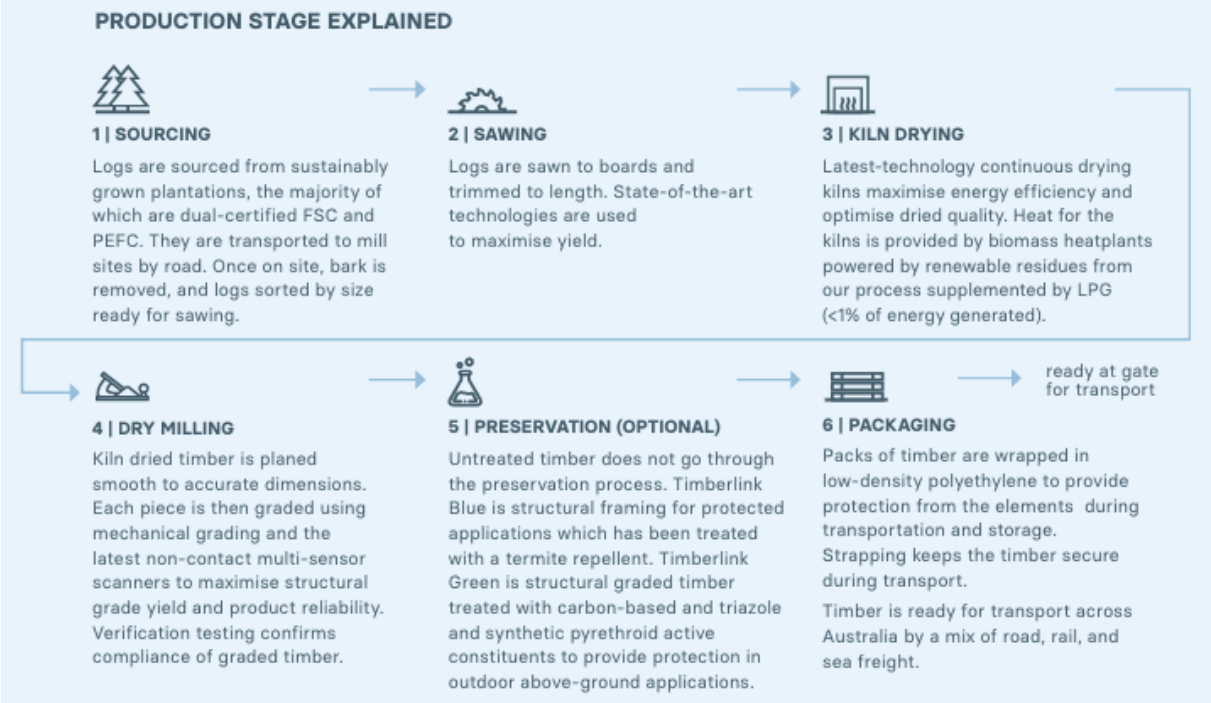
6. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The relevant ANZSIC classification for structural grade timber is ANZSIC 1413 – Timber Resawing and Dressing, within ANZSIC Group 141 – Log Sawmilling and Timber Dressing.

[11] LVL E13 (E = 13,200 MPa) is a standard merchant specification: see, e.g., Blacktown Building Supplies, "LVL E13 beam", https://blacktownbuildingsupplies.com.au/. LVL characteristic values are declared by each manufacturer under AS/NZS 4357: see, e.g., Wesbeam, "e-beam LVL Characteristic Values & Design Criteria".

7. Provide a summary and a diagram of your production process.

The production process for the like goods can be represented as follows:



Non-Confidential Figure A-4.6: Like goods production process

8. If your product is manufactured from both Australian and imported inputs:
   - describe the use of the imported inputs; and
   - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

Not applicable.

9. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Not applicable.

10. Supply a list of the names and contact details of all other Australian producers of the product.

All Australian producers are either applicants to this application or are supportive.

11. If different models can be established for the goods subject to the application:
   - What are the differences in physical characteristics that give rise to distinguishable and material differences in price?

These are reflected in the below proposed Model Control Code (**MCC**).

- Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.

These are reflected in Confidential Appendix A4.

- In providing the list of physical differences, identify the characteristics in order of significance.

These are reflected in the below MCC.

- Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.

These are reflected in the below MCC.

- Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.

These are reflected in the below MCC, Confidential Appendix A4, and Confidential Appendix A6.1.

- Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.

The proposed MCC for the like goods and subject goods is as follows:

No.	Category	Subcategory	Identifier	Sales	Costs
1	Form	Solid sawn	S	Mandatory	Mandatory
		Engineered	E		
2	Grade	MGP10 / LVL E10	E10	Mandatory	Mandatory
		MGP12 / LVL E12	E12		
		MGP15 / LVL E14	E14		
		F5	F5		
3	Treated / Untreated	Treated	T	Mandatory	Mandatory
		Untreated	U		
4	Cross section (centimetres (**cm**))	Up to and including $28cm^2$	01	Mandatory	Optional
		Greater than $28cm^2$ up to and including $36cm^2$	02		

No.	Category	Subcategory	Identifier	Sales	Costs
		Greater than 36cm^2 up to and including 45cm^2	03		
		Greater than 45cm^2 up to and including 56cm^2	04		
		Greater than 56cm^2 up to and including 65cm^2	05		
		Greater than 65cm^2 up to and including 75cm^2	06		
		Greater than 75cm^2 up to and including 85cm^2	07		
		Greater than 85cm^2 up to and including 95cm^2	08		
		Greater than 95cm^2 up to and including 105cm^2	09		
		Greater than 105cm^2 up to and including 120cm^2	10		
		Greater than 120cm^2	11		

Non-Confidential Table A-3.11.1: Proposed MCC structure

For the cross section MCC category, the above ranges capture the following standard like goods/subject goods sizes:

Cross-section range	Size captured	MCC identifier
Up to 28 cm²	70 × 35 mm (24.5cm²)	01
Over 28 cm² up to 36 cm²	70 × 45 mm and 90 × 35 mm (31.5 cm²)	02
Over 36 cm² up to 45 cm²	90 × 45 mm (40.5 cm²) and 120 x 35 (42 cm²)	03
Over 45 cm² up to 56 cm²	140 × 35 mm (49.0 cm²) and 120 x 45 (54 cm²)	04
Over 56 cm² up to 65 cm²	140 × 45 mm (63.0 cm²)	05
Over 65 cm² up to 75 cm²	190 × 35 mm (66.5 cm²)	06
Over 75 cm² up to 85 cm²	240 × 35 mm (84.0 cm²)	07
Over 85 cm² up to 95 cm²	190 × 45 mm (85.5 cm²)	08
Over 95 cm² up to 105 cm²	290 × 35 mm (101.5 cm²)	09
Over 105 cm² up to 120 cm²	240 × 45 mm (108.0 cm²)	10
Over 120 cm²	290 × 45 mm (130.5 cm²)	11

Non-Confidential Table A-3.11.2: Cross section MCC details

A-5 The Australian market

1. Describe the end uses of both your product and the imported goods.

The primary end use of structural timber is in the construction of wall frames and roof trusses used to build residential housing in Australia.

Wall frames consist of bottom and top wall plates with studs applied in between to create the basic wall structure. The commonly used pine grade for the wall frames is MGP10 with the "10" defining the MOE structural stiffness of the material. Higher stress-grades (e.g. MGP12/MGP15) may be used in wall frames when a higher loading and structural requirement is required.

Common dimensions of these wall frame products include end-sections (width multiplied (**x**) by thicknesses, as the centimetre squared measurement) of 120 x 35mm or 45mm, 90 x 35mm or 45mm, 70 x 35mm or 45mm and in lengths 2.4 metres (**m**) to 3.0m (for studs), and in lengths for top and bottom wall plates ranging from 3m to 6m in 30cm increments. Long length sections (e.g. 6m) are often docked to length on site.

Roof trusses consist of top chords, bottom chords and internal web members connected to form a rigid structural framework that supports the roof. The commonly used pine grade for roof trusses is MGP10. In certain applications, higher stress-grades (e.g. MGP12 or MGP15) may be used for individual roof truss members when higher loading, longer spans or increased structural performance is required.

Common end section dimensions of timber used in roof trusses include 70 × 35mm, 70 × 45mm, 90 × 35mm and 90 × 45mm. Member lengths are manufactured to suit the engineered design of each truss, with shorter web members typically around 2.4m in length and top and bottom chords commonly supplied in lengths up to 6m for larger span applications.

Offsite prefabrication of both wall frames and trusses is common in Australia with metal nails and nail plates used to joint the intersections of the individual components of the frames and trusses. Due to the incidence of termites in country regions of Victora and extensively in QLD, NSW, SA and WA, a large amount of structural timber is H2 envelope treated or mildly impregnated with termicide chemicals containing a blue die to enable recognition of treatment on building sites.

The imported competing structural timber LVL E10 products are produced to the same dimensions as the MGP structural framing products and are directly used as a replacement in wall frames and roof trusses.

Higher strength LVL products such as E12+ are also used in the building frame structure, mostly in the beams of sub floors, ring beams, and load bearing lintels above door and window openings.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;

The main source of product demand is from the new residential housing construction market, secondary renovations, and upgrading of existing residential buildings. The use of structural timber framing in walls and roofs has a long history in Australia and is still the dominant method of constructing the main building frame. Demand comes directly through the number of new housing unit starts and local residential renovation projects.

- marketing and distribution arrangements;

Sales of the goods are primarily business-to-business (**B2B**). B2B marketing occurs in the form of trade and industry events, digital marketing via company websites, and targeted marketing campaigns by producers and/or importers.

The Applicants maintain distribution centres and in/around the main capital cities, which serve frame and truss fabricators and timber and builder merchants. Builders then purchase structural timber from the merchants, or, if buying frames, directly from the frame and truss fabricators. Structural timber importers also have regional distribution centres where they follow the same channels to market as the Australian industry.

- typical customers/users/consumers of the product;

The largest customer/consumer group for structural timber are the frame and truss fabricators who purchase MGP or LVL products then convert the material to ready-built wall frames and trusses. Other customers can include timber and builders' merchants and DIY retailers who then sell packs or even pieces to builders who build the house on-site (so called "stick build").

- the presence of market segmentation, such as geographic or product segmentation;

There is limited geographic market segmentation other than the logistical viability of serving a market. Segmentation is usually by product strength classes, such as MGP10 or MGP12, or LVL E10 or LVL E12, and by categorising MGP or LVL generally. Segmentation can be in termite treatment and chemical impregnated for exterior structures.

- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation,

Demand variability is primarily determined by the number of new residential building starts. At a product or material level, demand can be affected by the level of substitution between MGP and LVL.

- and developments in technology affecting either demand or production;

New innovative alternative framing materials and building systems may generally have the potential to impact on demand.

- the way in which the imported and Australian product compete; and

Imported LVL competes directly with Australian like goods MGP. Due to the price points of imported LVL, it makes it an attractive alternative to MGP. Large volumes of LVL E10 are entering the Australian market at low and materially injurious prices.

- any other factors influencing the market.

Not applicable.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

Overview

The Applicants submit that the main material technical substitute is light-gauge (cold-formed) steel framing, principally BlueScope's TRUECORE steel. The Australian timber framing industry does compete with steel framing. However, steel framing has been a relatively stable proportion of the Australian house-framing market over time – in the order of 4 percent of building approvals on official permit data, and up to 10 percent on average nationally via industry survey data – while timber framing accounts for approximately 90 percent or more. No existing substitute is therefore commercially significant enough to displace the direct competition between imported Chinese LVL and the Australian like goods, which occurs within the dominant timber-framing market.

The Australian like goods and the imported goods are used for residential and light-structural framing. The relevant market for assessing substitutes is therefore the market for structural framing in detached and low-rise residential construction, in which machine-graded softwood sawn timber and LVL are used interchangeably and in combination.

Light gauge steel framing

The main technical substitute is light-gauge cold-formed steel framing. It is manufactured from structural steel coil (most notably BlueScope's TRUECORE steel) with related systems (including ENDUROFRAME and LYSAGHT SMARTRUSS) roll-formed into wall frames, floor systems and roof trusses.

Steel framing and timber framing are both lightweight framing systems that perform the same structural role, with the NCC recognising them side by side. The NCC Volume 2 (Housing Provisions) addresses steel framing at Part 3.4.2 and timber framing at Part 3.4.3.[12] The Applicant's do not dispute that steel framing is technically substitutable for timber framing, and that the Australian timber framing industry competes with it.

Steel framing is promoted on the basis of dimensional stability, termite resistance and non-combustibility; timber framing is typically lower cost and is favoured for trade familiarity, ease of on-site working and thermal performance. The two systems compete, and the Australian timber framing industry actively markets timber framing against steel. That competition is,

[12] National Construction Code, Volume 2 (Housing Provisions), Parts 3.4.2 (steel framing) and 3.4.3 (timber framing); Australian Government, YourHome, "Lightweight framing", https://www.yourhome.gov.au/materials/lightweight-framing. Steel framing is designed to AS/NZS 4600 and the NASH Standard (Residential and Low-rise Steel Framing); timber framing to AS 1684; and LVL is manufactured to AS/NZS 4357.

however, at the margin, as the overwhelming majority of Australian houses continue to be framed in timber.

Steel framing: a stable share of the market

Timber framing accounts for approximately 90 percent of the national residential framing market, having eased from approximately 95 percent, with steel and other materials making up the balance. The highest steel penetration is in Queensland (approximately 16 percent in 2022), reflecting termite and cyclonic conditions; the national average figure is well below that.[13]

Official building-permit data provides the broadest measure as it captures essentially all building work. Analysis of Victorian Building Authority permit data found that, of detached (Class 1) dwellings that specified a framing material in 2017–18, 32,320 were timber-framed and 1,231 were steel-framed (equating to a steel share of 3.64 percent).[14] Subsequent analysis found the split relatively stable, with steel framing at approximately 3.5 percent in 2022,[15] and independent analysis of permit data for the year ended April 2024 put timber at 91.1 percent and steel at 3.7 percent of approved houses.[16]

Source	Timber	Steel	Period
FWPA / Oxford Economics (national survey)	~90%	~10%†	2022
VBA building permits (FWPA / ACI)	95.6%	3.64%	2017–18
VBA building permits (FWPA)	~96.5%	~3.5%	2022
VBA building permits (IndustryEdge)	91.1%	3.7%‡	yr ended Apr 2024

Non-Confidential Table A-5.3: Timber and steel shares of the Australian house-framing market. †National figure's balance includes steel and other non-timber materials. ‡Balance of ~4.4 percent did not specify a framing material.

The Applicants are aware that the steel-framing sector has claimed a higher share, up to 14 percent. That claim, derived on a basis that blends dwelling numbers with project value, is substantially higher than official permit data, and is not currently published by the sector. The Applicant's submit that the official building-permit data is the more reliable measure.[17]

Industry research concludes that the relative share of timber and steel framing is unlikely to substantially change other than incrementally unless a substantial and prolonged price difference between the systems emerges, as builders and fabricators regard the cost and risk of switching framing systems as significant.[18]

[13] Forest & Wood Products Australia, "Update on the residential framing market" (2023), reporting Oxford Economics survey research: national timber-framing share of approximately 90 percent (eased from about 95 percent), with Queensland the highest steel-uptake state at about 16 percent in 2022, https://fwpa.com.au/news/update-on-the-residential-framing-market/.

[14] Forest & Wood Products Australia / Australian Construction Insights, "Structural framing materials used in residential building" (December 2018), analysing Victorian Building Authority permit data (2017–18: 32,320 timber-framed and 1,231 steel-framed dwellings of those specifying a framing material), https://www.fwpa.com.au/wp-content/uploads/2019/02/ACI_Structural_framing_materials_used_in_residential_building_Final__3Dec2018.pdf.

[15] Forest & Wood Products Australia, review of Victorian Building Authority building-permit data (April 2023): steel framing at approximately 3.5 percent in 2022, described as relatively stable across 2017–2022, https://fwpa.com.au/wp-content/uploads/2023/07/Review-VBA-building-permit-data-April-2023-002.pdf.

[16] IndustryEdge, "Timber framed 91.1 percent of approved houses in Victoria, year ended April 2024", https://industryedge.com.au/timber-framed-91-1-of-approved-houses-in-victoria-year-ended-april-2024/

[17] The claim is attributed to the National Association of Steel-Framed Housing (NASH), reported in 2015 on a basis combining dwelling numbers and project value. It materially exceeds contemporaneous and later official building-permit data and is not currently published by the sector.

[18] Forest & Wood Products Australia / Australian Construction Insights (December 2018), above: framing-system market share is unlikely to change other than incrementally absent a substantial and prolonged price difference between systems.

Other substitutes

Reinforced concrete and masonry (brick or block) construction are alternatives to the whole structural system rather than substitutes for individual framing members. Brick veneer is not a substitute for framing as brickwork is a non-structural veneer, and the structural loads are carried by an internal timber (or steel) frame. Load-bearing double-brick and masonry construction holds only a modest share (of the order of up to 11 percent of detached houses on 2015–18 data in Western Australia, and significantly less as a national average).[19] These systems do not directly substitute for the framing members supplied by the Australian industry and the imported goods.

Cross-laminated timber and other mass-timber systems are used principally in mid-rise and commercial construction and are not a commercially viable substitute for generic light framing in detached houses. Other engineered wood products, such as I-joists and glued-laminated timber are complementary products within the timber framing family. They are produced and supplied by the same timber industry and are used together with MGP/F-grade pine and LVL, rather than displacing them.

No commercially significant alternatives

As articulated, the only commercially significant technical substitute for the Australian and imported product is light-gauge steel framing, against which the Australian timber industry competes. However, steel framing accounts for a relatively stable proportion of the market while timber framing accounts for the majority.

Concrete, masonry and mass-timber systems are whole-of-system or complementary alternatives, not member-for-member product substitutes.

The Applicants submit that no market substitute is commercially significant enough to displace the direct competitive relationship between the imported Chinese structural timber and the Australian like goods, which compete within the dominant timber-framing market. Substitution by steel framing is not a plausible alternative cause of injury to the Australian industry and does not remove the causal link, as will be evidenced below, between the dumped and subsidised imports and that injury.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

The Applicants have completed Confidential Appendix A1.

5. Complete appendix A2 (Australian market).

The Applicants have completed Confidential Appendix A2.

[19] On dwelling structural forms, including the modest share of load-bearing double-brick and masonry construction (approximately 11 per cent of detached houses, 2015–18, concentrated in Western Australia), see Forest & Wood Products Australia / Australian Construction Insights (December 2018), above.

6. Use the data from appendix A2 (Australian market) to complete this table:

Indexed table of sales quantities

Year Ending June	(a) Applicant Sales	(b) Other Aust. Sales	(c) Total Aust. Sales	(d) Dumped Imports	(e) Other Imports	(f) Total Imports	Total Market
2023	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2024	96.10	96.18	96.10	158.73	82.61	104.72	96.96
2025	98.12	97.71	98.10	271.01	87.83	141.04	102.38
2026	105.88	95.42	105.31	509.18	86.88	209.54	115.70

A-6 Applicant's sales

1. Complete appendix A3 (sales turnover).

The Applicants have completed Confidential Appendix A3.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Applicants (consolidated) *– indexed table of sales quantities*

Quantity (m3)	Year Ending June			
	2023	**2024**	**2025**	**2026**
All Products				
Australian market	100.00	90.87	91.04	98.27
Export Market	100.00	191.92	133.06	108.89
Total	**100.00**	**93.54**	**92.16**	**98.56**
Like goods				
Australian market	100.00	96.60	96.07	105.79
Export Market	100.00	167.70	152.19	132.60
Total	**100.00**	**97.19**	**96.53**	**106.01**

Applicants (consolidated) *– indexed table of sales values*

Quantity (m3)	Year Ending June			
	2023	**2024**	**2025**	**2026**
All Products				
Australian market	100.00	91.56	91.73	99.66
Export Market	100.00	158.05	119.45	101.26
Total	**100.00**	**92.34**	**92.05**	**99.68**
Like goods				
Australian market	100.00	95.49	95.97	106.51
Export Market	100.00	167.74	164.50	142.56
Total	**100.00**	**95.72**	**96.19**	**106.63**

AKD *– indexed table of sales quantities*

Quantity (m3)	Year Ending June			
	2023	2024	2025	2026
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

AKD *- indexed table of sales values*

Sales value ($)	Year Ending June			
	2023	2024	2025	2026
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

Hyne *– indexed table of sales quantities*

Quantity (m3)	Year Ending June			
	2023	2024	2025	2026
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

Hyne *- indexed table of sales values*

Sales value ($)	Year Ending June			
	2023	2024	2025	2026
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

OFO *– indexed table of sales quantities*

Quantity (m3)	**Year Ending June**			
	2023	**2024**	**2025**	**2026**
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

OFO *- indexed table of sales values*

Sales value ($)	**Year Ending June**			
	2023	**2024**	**2025**	**2026**
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

Timberlink *– indexed table of sales quantities*

Quantity (m3)	**Year Ending June**			
	2023	**2024**	**2025**	**2026**
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

Timberlink *- indexed table of sales values*

Sales value ($)	Year Ending June			
	2023	2024	2025	2026
All Products				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]
Like goods				
Australian market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Export Market	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	[***XXX***]	[***XXX***]	[***XXX***]

3. Complete appendix A5 (sales of other production) if you have made any:
   - internal transfers; or
   - domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Where applicable, the Applicants have completed Confidential Appendix A5.

4. Complete appendix A4 (domestic sales).

The Applicant's have completed Confidential Appendix A4.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

[***confidential text deleted:*** *commercially sensitive applicant response details*]

6. Attach a copy of distributor or agency agreements/contracts.

The Applicant's do not maintain agency or distributor agreements.

7. Provide copies of any price lists.

AKD
- Refer Confidential Attachment A-6.7.1.

Hyne
- Refer Confidential Attachment A-6.7.2.

OFO
- Refer Confidential Attachment A-6.7.3.

Timberlink
- Refer Confidential Attachment A-6.7.4.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.
   - Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).
   - If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

[***confidential text deleted:*** *commercially sensitive applicant response details*]

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short-term contract of sale, inland freight contract, and bank documentation showing proof of payment.

AKD
- Refer Confidential Attachment A-6.9.1.

Hyne
- Refer Confidential Attachment A-6.9.2.

OFO
- Refer Confidential Attachment A-6.9.3.

Timberlink
- Refer Confidential Attachment A-6.9.4.

10. Provide a list of model control codes from appendix A4.

Refer Confidential Appendix A4 data.

A-7 General accounting/administration information

1. Specify your accounting period.

AKD
- 1 July to 30 June.

Hyne
- 1 January to 31 December.

OFO
- 1 July to 30 June.

Timberlink
- 1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

AKD
- 7-15 Forest Street, Colac, VIC, 3250.

Hyne
- Hyne Timber, 160 Kent Street, Maryborough, QLD, 4650.

OFO
- Head office: Level 35, 2 Southbank Boulevard, Southbank VIC 3006.
- Manufacturing: 152 Jubilee Highway, Mt Gambier, South Australia, 5290.

Timberlink
- Level 2, 37 Dalmore Drive, Scoresby, VIC, 3179

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:
   - chart of accounts;

AKD
- Refer confidential Attachment A-7.3.1.

Hyne
- Refer Confidential Attachment A-7.3.2.

OFO
- Refer Confidential Attachment A-7.3.3.

Timberlink
- Refer Confidential Attachment A-7.3.4.

   - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

AKD
- Refer confidential Attachment A-7.3.5.

Hyne
- Refer Confidential Attachment A-7.3.6.

OFO
- Refer Confidential Attachment A-7.3.7.

Timberlink
- Refer Confidential Attachment A-7.3.8.

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.
  These documents should relate to:
  1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
  2. the company overall.

AKD
- Refer confidential Attachment A-7.3.9.

Hyne
- Refer Confidential Attachment A-7.3.10.

OFO
- Refer Confidential Attachment A-7.3.11.

Timberlink
- Refer Confidential Attachment A-7.3.12.

4. If your accounts are **not** audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

Not applicable.

6. Describe your accounting methodology, where applicable, for:
   - the recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

   - provisions for bad or doubtful debts;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

   - the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- valuation methods for scrap, by-products, or joint products;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- valuation and revaluation of fixed assets;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and

[***confidential text deleted:*** *commercially sensitive applicant response details*]

- restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.

[***confidential text deleted:*** *commercially sensitive applicant response details*]

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

Not applicable.

A-8 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

The Applicants have completed Confidential Appendix A6.1/6.2.[20]

2. Provide a list of model control codes from appendix A6.1 and A6.2.

Applicant Appendix A6.1's have been completed based on the MCC structured detailed at A-4.11.

[20] Where an Appendix A6.2 has not been provided, the relevant applicant did not export the like goods.

A-9 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

The Applicant's allege that the material injury in its various forms, and arising from the volume and price effects of the dumped and subsidised goods from China, commenced from the beginning of FY2023.

Specifically, the Applicant's claim, and will establish in subsequent parts of this application, that the industry has experienced material injury during the proposed injury and investigation periods in the forms of:

- lost sales volume and market share;
- price suppression;
- price depression;
- loss of profits;
- loss of profitability;
- revenue foregone;
- decline in asset values;
- reduce capital expenditure;
- reduced research & development;
- reduced return on investment;
- reduced capacity and capacity utilisation;
- reduced employment; and
- reduced productivity.

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. P^n is the most recent period.

The below tables have been presented on an applicant-entity basis at the total like goods level. Appendix A6.1 data provided with this application includes tabled indices in the requisite format by MCC for each applicant entity.

Index of production variations (model control code)

Production	FY2023	FY2024	FY2025	FY2026
AKD	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Hyne	100.00	[*XXX*]	[*XXX*]	[*XXX*]
OFO	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Timberlink	100.00	[*XXX*]	[*XXX*]	[*XXX*]
Total	**100.00**	**97.68**	**98.71**	**106.44**

Index of cost variations (model control code)

Cost	FY2023	FY2024	FY2025	FY2026
AKD	100.00	[XXX]	[XXX]	[XXX]
Hyne	100.00	[XXX]	[XXX]	[XXX]
OFO	100.00	[XXX]	[XXX]	[XXX]
Timberlink	100.00	[XXX]	[XXX]	[XXX]
Total	**100.00**	**105.82**	**107.46**	**110.31**

Index of price variations (model control code)

Price	FY2023	FY2024	FY2025	FY2026
AKD	100.00	[XXX]	[XXX]	[XXX]
Hyne	100.00	[XXX]	[XXX]	[XXX]
OFO	100.00	[XXX]	[XXX]	[XXX]
Timberlink	100.00	[XXX]	[XXX]	[XXX]
Total	**100.00**	**98.62**	**96.08**	**97.09**

Index of profit variations (model control code) (label N of Appendix A6.1)

Profit	FY2023	FY2024	FY2025	FY2026
AKD	100.00	[XXX]	[XXX]	[XXX]
Hyne	100.00	[XXX]	[XXX]	[XXX]
OFO	100.00	[XXX]	[XXX]	[XXX]
Timberlink	100.00	[XXX]	[XXX]	[XXX]
Total	**100.00**	**74.40**	**57.82**	**52.64**

Index of profitability variations (model control code)

Profitability	FY2023	FY2024	FY2025	FY2026
AKD	100.00	[XXX]	[XXX]	[XXX]
Hyne	100.00	[XXX]	[XXX]	[XXX]
OFO	100.00	[XXX]	[XXX]	[XXX]
Timberlink	100.00	[XXX]	[XXX]	[XXX]
Total	**100.00**	**75.44**	**60.18**	**54.22**

3. Complete appendix A7 (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

See below. To preserve confidentiality, Applicant naming conventions are not in alphabetical order.

Applicant A	FY2023	FY2024	FY2025	FY2026
Capital investment	100.00	75.81	81.61	52.87
Return on investment	100.00	70.12	44.53	78.21
Capacity utilisation	100.00	76.93	73.32	69.69
Employment	100.00	94.76	95.27	99.72
Productivity	100.00	94.29	95.45	97.19

Applicant B	FY2023	FY2024	FY2025	FY2026
Capital investment	100.00	61.79	8.74	6.08
Return on investment	100.00	60.30	39.62	38.26

Applicant C	FY2023	FY2024	FY2025	FY2026
Assets	100.00	92.25	85.52	82.33
Capital investment	100.00	85.65	50.22	50.67
Research & development	100.00	18.86	45.14	36.00
Return on investment	100.00	67.39	20.37	40.49
Capacity utilisation	100.00	95.63	81.06	92.05
Employment	100.00	99.48	94.61	89.86

Applicant D	FY2023	FY2024	FY2025	FY2026
Revenue	100.00	89.78	88.20	88.84
Return on investment	100.00	85.72	75.86	57.80
Capacity	100.00	100.03	96.31	97.49
Capacity utilisation	100.00	89.51	89.16	84.64
Employment	100.00	102.92	94.57	96.43
Productivity	100.00	86.97	94.28	87.77

A-10 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

There is a direct correlation between the ongoing presence and increase in volumes of structural timber imported from China, and the Australian industry's annual sales volume and market share for the like goods. On an annual and quarterly basis, Confidential Charts A-10.1.1 to A-10.1.3 below highlight the respective shares of the total volume of structural timber supplied in Australia by the Australian industry, by the subject imports, and by all other imports over the proposed inquiry period:



Confidential Chart A-10.1.1: Year Ending June 2023-2026 Australian share (source: Appendix A2)



Confidential Chart A-10.1.2: FY2026 quarterly share compared to FY2025 average Australian share (source: Appendix A2)



Confidential Chart A-10.1.3: Quarterly market share, FY2023-2026 (source: Appendix A2)

The influence of the volume of dumped and subsidised Chinese imports on the Applicant's sales volumes and market share can be assessed as follows:

- the Australian market grew over the period, from [*XXX*] m³ (FY2023) to [*XXX*] m³ (FY2026). This represents an increase of [*XXX*] m³, or [*XX*] percent. Growth was variable, with a market decline in FY2024 (down [*XX*] percent), a recovery in FY2025 (by [*XX*] percent), and an increase in FY2026 (by [*XX*] percent).

- Chinese imports rose almost fivefold over the same period, from [*XXX*] m³ to [*XXX*] m³ (an increase of [*XX*] percent). China's market share climbed quarter-on-quarter and year-on-year, from [*XX*] percent in FY2023 through to [*XX*] percent by FY2026.

- the Australian industry grew by only [*XX*] percent in absolute volume ([*XXX*] m³ to [*XXX*] m³). This represents less than half the market's growth rate. The Australian industry lost market share in every year of the period: from [*XX*] percent in FY2023 down to [*XX*] percent by FY2026.

- China acquired approximately 70 percent of all net market growth over the period ([*XXX*] m³ of the [*XXX*] m³ expansion), notwithstanding that it entered the period holding only [*XX*]% of the market. The Australian industry, holding approximately [*XX*] percent of the market at the outset, captured approximately only [*XX*] percent of that growth.

- non-subject (other) imports fell over the period, from [*XXX*] m³ to [*XXX*] m³ (down [*XX*] percent), and lost [*XX*] percentage points of share ([*XX*] percent to [*XX*] percent). The displacement of Australian industry volume is therefore attributable to Chinese imports, and not to imports from third countries.

- had the Australian industry retained its FY2023 market share into FY2026, it would have sold approximately [*XXX*] m³. This represents a shortfall of approximately [*XXX*] m³ against its actual FY2026 sales of [*XXX*] m³.

- The quarterly Appendix A2 data confirms direct displacement. As Chinese volume rose quarter on quarter, the Australian industry's share of the market fell correspondingly.

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

Influence on prices

The correlation between the Australian industry's quarterly selling prices for the like goods and the annual FOB export prices for the dumped and subsidised imports across the injury analysis and investigation period exists because the Australian industry's prices were influenced by the presence and prices of the dumped and subsidised imports. Specifically, the Applicants have responded to the presence of imports (by importers of the dumped goods) by depressing and suppressing prices for like goods.

The Manual[21] states that price suppression, in terms of Article 3.2 of the ADA, is where price increases for the Australian industry's products, which otherwise would have occurred, have been prevented to a significant degree.[22] In determining whether price suppression has occurred, the Commission may examine:[23]

- a comparison of prices with costs to assess whether over time (e.g. the injury analysis period) or within a specified period (e.g. the investigation period) prices have not increased at the same rate as cost increases; and/or

- an assessment as to whether the prices for the Australian industry's product are lower than prices that may have been achieved in the absence of dumping.

In either case, the Commission will base its price suppression analysis on a counterfactual conclusion, assessing what trend in, or level of, prices the Australian industry would have achieved in the absence of dumping.[24]
The influence of the price of dumped and/or subsidised imports on the Applicant's quarterly prices can be assessed as follows:

- the Australian industry's net unit selling price fell over the period, from $[*XXX*]/m³ (FY2023) to $[*XXX*]/m³ (FY2026), a decline of [*XX*] percent, reaching a trough of $[*XXX*]/m³ in FY2025 (down [*XX*] percent) before a partial recovery in FY2026.

- over the same period, the Australian industry's unit cost to make and sell rose by [*XX*] percent (from $[*XXX*]/m³ to $[*XXX*]/m³). In a normally functioning market, a cost increase of this order would be recovered through price; instead, prices were held down and fell.

- the result is price suppression: the cost-price gap materially expanded (cost higher than price), cutting unit profit by [*XX*] percent ($[*XXX*]/m³ to $[*XXX*]/m³) and profitability from [*XX*] percent to [*XX*] percent of sales revenue (an approximate halving of margin).

The Applicants submit that, absent imports from China at material margins of dumping, they would have achieved prices indicative of a level playing field in the Australian market.

[21] Dumping and Subsidy Manual, December 2021.
[22] The Manual, p. 16.
[23] Ibid.
[24] Ibid.

The Applicants provide the following evidence of the Australian industry needing to address the price and volume impacts of dumped and subsidised Chinese structural timber with its customer base during FY2026. The price undercutting and therefore price depression has caused material injury to the Australian industry.

AKD

AKD provides at Confidential Attachment A-10.2.1 [***confidential details deleted:*** *evidence of price undercutting and price depression in the market*].

Hyne

Hyne provides at Confidential Attachment A-10.2.2 [***confidential details deleted:*** *evidence of price undercutting and price depression in the market*].

OFO

OFO provides at Confidential Attachment A-10.2.3 [***confidential details deleted:*** *evidence of price undercutting and price depression in the market*].

Timberlink

Timberlink provides at Confidential Attachment A-10.2.4.1 [***confidential details deleted:*** *evidence of price undercutting and price depression in the market*].

Influence on profits and profitability

The Applicants compete on price to maintain production volume. Therefore, the Australian industry's profits (expressed as net gains or losses) and profitability are affected by factors impacting its ability to raise prices sufficient to cover costs.

Confidential Charts A-10.2.1 and A-10.2.2 below show the influence of the landed price of the dumped and subsidised imports on the Australian industry's quarterly price, profits and profitability. During periods of export price inflation, Australian industry profits and profitability grew, compared to the periods of export price deflation where the opposite occurred:



Confidential Chart A-10.2.1: Quarterly export prices of dumped goods and Australian industry price and net gain/loss (sources: Appendices A2 and A6.1)



Confidential Chart A-10.2.2: Quarterly export prices of dumped goods and Australian industry price and profitability (sources: Appendices A2 and A6.1)

Australian industry total net profit on domestic sales fell by [*XX*] percent, from $[*XXX*] million in FY2023, to $[*XXX*] million in FY2026.

Chinese prices directed this outcome. China's unit import price fell from approximately $[*XXX*]/m³ (FY2023) to approximately $[*XXX*]/m³ (FY2026), a decline of approximately [*XX*] percent, falling below the Australian industry's price during FY2025 and continuing to undercut it thereafter. This price crossover coincided with the acceleration in Chinese volume and market share.

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Confidential Chart A-10.3.1 below indicates that the Australian industry experienced price depression and suppression throughout the assessment period with rising import volumes from China:



Confidential Chart A-10.3.1: China volume influence on net prices, together with unit CTMS of Australian industry's own production; FY2023-2026 (Sources: Appendix A2 and A6.1)

4. The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

The impact of the dumped and subsidised structural timber from China has been significant in terms of price and volume effect injury. The Australian industry can demonstrate at Confidential Appendix A7 that it has also experienced injury in other forms, including:

- decline in asset values;
- revenue foregone;
- reduce capital expenditure;
- reduced research & development;
- reduced return on investment;
- reduced capacity and capacity utilisation;
- reduced employment; and
- reduced productivity.

5. Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be 'material'.

The Australian industry considers that it has experienced material injury during the proposed injury assessment and dumping periods in the following forms:

- lost sales volume and market share;
- price suppression;
- price depression;
- loss of profits;
- loss of profitability;

- decline in asset values;
- revenue foregone;
- reduce capital expenditure;
- reduced research & development;
- reduced return on investment;
- reduced capacity and capacity utilisation;
- reduced employment; and
- reduced productivity.

Volume/market share effects

A loss of 8.1 percentage points of market share and a but-for shortfall of approximately [*XXX*] m³, in a market that grew [*XX*] percent, and with the net market expansion acquired by dumped and subsidised imports, exceeds any normal commercial fluctuation.

Confidential Chart A-10.5.1 below depicts these volumes on an actual's basis:



Confidential Chart A-10.5.1: Australian structural timber market volume, actuals (source: Appendix A2)

Price depression and suppression

Price depression occurs when the local industry is forced to reduce prices in order to compete with imported goods. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. One indicator of price suppression is the margin between revenues and costs. This approach is proposed by the Applicants, as it contends that a normal business unaffected by dumping would look to increase prices to, at a minimum, cover its cost to make and sell (**CTMS**) and attempt to maximise profits.

Confidential Charts A-10.5.2 and A-10.5.3 below demonstrate movements in Australian industry unit net sales revenue and unit CTMS (indexed and actuals) for structural timber across the proposed injury analysis and dumping periods:



Confidential Chart A-10.5.2: Australian industry unit selling price and CTMS; quarterly FY2023-2026 – indexed (source: Appendix A6.1)



Confidential Chart A-10.5.3: Australian industry profits and profitability – actuals (source: Appendix A6.1)

A [*XX*] percent fall in price against a [*XX*] percent increase reflects an inability to recover costs in the face of low-priced Chinese imports whose price fell below the domestic price during the period.

Profits & profitability

Confidential Charts A-10.5.3 and A-10.5.4 below indicate that the Australian industry experienced materially declining profits and profitability across the proposed injury analysis and dumping periods:



Confidential Chart A-10.5.3: Australian industry profits and profitability – indexed (source: Appendix A6.1)



Confidential Chart A-10.5.4: Australian industry profits and profitability – actuals (source: Appendix A6.1)

Unit profit fell [*XX*] percent, profitability nearly halved, and total net profit fell 43 percent. FY2026 profitability and net profit both remained materially below pre FY2023 levels despite the partial price recovery in that year.

The ongoing prevalence of price suppression observed has impacted negatively on the profits and profitability of the Australian industry over the proposed injury analysis and investigation periods. The Applicants consider that unit revenue and profitability would have not declined to the levels indicated above if price suppression and lost market share was not occurring. Therefore, the Applicants consider they have suffered injury in the form of reduced profits and profitability and that injury was caused by sales of structural timber exported from China at dumped and subsidised prices, and that the injury was material.

Further, due to the relatively high fixed costs required to produce structural timber, the loss of sales volume has resulted in fixed costs on a per unit basis being higher than they otherwise would be resulting in reduced profitability for the Applicants.

Other economic factors

The Applicants consider they have also experienced material injury across other relevant economic factors as set out in s.269TAE(3). Specifically, injury in the following forms:

Applicant A	FY2023	FY2024	FY2025	FY2026
Capital investment	100.00	75.81	81.61	52.87
Return on investment	100.00	70.12	44.53	78.21
Capacity utilisation	100.00	76.93	73.32	69.69
Employment	100.00	94.76	95.27	99.72
Productivity	100.00	94.29	95.45	97.19

Applicant B	FY2023	FY2024	FY2025	FY2026
Capital investment	100.00	61.79	8.74	6.08
Return on investment	100.00	60.30	39.62	38.26

Applicant C	FY2023	FY2024	FY2025	FY2026
Assets	100.00	92.25	85.52	82.33
Capital investment	100.00	85.65	50.22	50.67
Research & development	100.00	18.86	45.14	36.00
Return on investment	100.00	67.39	20.37	40.49
Capacity utilisation	100.00	95.63	81.06	92.05
Employment	100.00	99.48	94.61	89.86

Applicant D	FY2023	FY2024	FY2025	FY2026
Revenue	100.00	89.78	88.20	88.84
Return on investment	100.00	85.72	75.86	57.80
Capacity	100.00	100.03	96.31	97.49
Capacity utilisation	100.00	89.51	89.16	84.64
Employment	100.00	102.92	94.57	96.43
Productivity	100.00	86.97	94.28	87.77

To preserve confidentiality, the Applicant naming conventions above are not in alphabetical order.

Materiality of Injury

In the context of the Australian conditions for structural timber over the proposed injury analysis and dumping periods, the Applicants contend that the injury suffered by it (and caused by the dumped and subsidised imports from China) is greater than that likely to occur in the normal ebb and flow of business.

The Applicants have experienced declines in revenue over the injury analysis and investigation periods, alongside corresponding declines in profitability.

The Applicants have lost sales volumes and market share, and have experienced price suppression and depression. When considered as a whole, these factors have adversely impacted like goods profits and profitability, collectively and not in isolation. When also taking account of all relevant economic factors, the Australian industry has experienced

injury from trade in the subject goods from the subject countries, and such injury is considered material.

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

The Applicants do not consider that factors other than dumped and subsidised imports from China have caused the material injury alleged.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The goods the subject of this application are exported from China.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

The Applicants understand that the country of export is also the country of origin of the goods the subject of this application.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Not applicable.

4. Where possible, provide the names, addresses and contact details of:
   - producers of the goods exported to Australia;
   - exporters to Australia; and
   - importers in Australia.

The following are understood by the Applicants to be Chinese producers and exporters of structural timber:

Company Name	Address	Contact details
Shandong Fushi Wood Co., Ltd. / Fushi Wood Group	2600 Bohai Avenue, Yangkou Town, Shouguang, Weifang City, Shandong Province, China	Tel: +86 536 5678 898 Email: fushiwood@fushiwood.com URL: https://www.fushiwoodgroup.com
Xuzhou ROC International Trading Co., Ltd. / Home World Group (ROCPLY / SENSO)	Senso Center, Pizhou City, Jiangsu Province, China	Tel: +86 516 8653 3386 Email: roc@plywood.cn URL: https://www.rocply.com.au
Linyi Wenwei Trading Co., Ltd. / Wenwei Group	Zhoujingpu Industrial Park, Yitang Town, Lanshan District, Linyi City, Shandong Province, China	Tel: +86 153 7606 8176 Email: wenweiwood@wenweiwood.com URL: https://www.wenweiwood.com
Linyi Kunpeng Wood Co., Ltd.	Laizhuang Industry Zone, Huyang Town, Feixian County, Linyi, Shandong 273405, China	Tel: +86 539 8203608 Email: victor@kunpengwood.com URL: https://www.kunpengwood.com
Ningjin County Yelu Wood Co., Ltd. (YELUWOOD)	Wangzhuang Village, Chaihudian Town, Dezhou, Shandong Province, China	Tel: +86 186 5349 2529 Email: sales@yeluwood.com URL: https://www.yeluwood.com
Shouguang Hongcheng Imp. & Exp. Co., Ltd. / Shouguang Hongcheng Wood	Room 314-316, No. 5 Building, Software Park, Shouguang City, Shandong Province, China	Tel: +86 150 9510 0057 Email: lauren@hcinternation.com URL: https://www.cnhcwood.com

Company Name	Address	Contact details
Linyi Consmos Wood Industry Co., Ltd. / Linyi Consmos Imp. & Exp. Co., Ltd.	Xuezhang Town, Feixian County, Linyi City, Shandong Province, China	Tel: +86 539 8608988 Email: sales@consmos.com URL: https://www.consmos.com
Linyi Leberg International Trade Co., Ltd.	Room 606, Building 1, Lian'an Building, Lanshan District, Linyi City, Shandong Province, China	Tel: +86 159 6482 8897 Email: sales@lebergwood.com URL: https://www.lebergwood.com

The following are understood by the Applicants to be potential Australian importers of Chinese structural timber:

[***confidential table deleted:*** *disclosure of Australian importers would likely result in commercial disadvantage to the Applicants*].

5. If the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

Not applicable. Import volumes from China are estimated to exceed 3 percent of all imports of the goods the subject of this application.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

Not applicable as the import volumes from China is estimated to exceed 4 percent of all imports of the goods the subject of this application.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.

The Applicants have included FOB values for the subject goods at Confidential Appendix A2, as sourced from *TradeData International*.

2. Specify the terms and conditions of the sale, where known.

The export prices for the imported goods from China are FOB, export point of sale.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

The researched export price data for China is considered adequate for the purposes of this application.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Refer Confidential Appendix A2 for import volume and value details for the goods the subject of this application.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

I. Introduction

Section 269TAC(1) of the *Customs Act 1901* (Cth) (the **Act**) provides that, subject to the operation of subsections 269TAC(2) to (5C), the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms-length transactions by the exporter, or, if such sales are not available, by other sellers of like goods.[25]

Subsection 269TAC(2)(a)(ii) provides that the Minister cannot ascertain the normal value of goods under s.269TAC(1) where the Minister is satisfied that *…because of the situation in the market of the country of export, sales in that market are not suitable for use in determining a price under subsection (1)*.[26] In such a case, the normal value must instead be determined by reference either to a constructed cost build-up under s.269TAC(2)(c), or by reference to third-country sales under s.269TAC(2)(d). This framework implements Australia's obligations under Article 2.2 of the WTO *Agreement on Implementation of Article VI of GATT 1994* (the **Anti-Dumping Agreement**).[27]

The Commission's *Dumping and Subsidy Manual* (**the Manual**) identifies, non-exhaustively, factors that may render domestic sales unsuitable for the purposes of s.269TAC(1), including:[28]

(a) where domestic prices are artificially low; or

[25] Customs Act 1901 (Cth), s.269TAC(1).
[26] Ibid, s.269TAC(2)(a)(ii).
[27] WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, Article 2.2.
[28] Anti-Dumping Commission, *Dumping and Subsidy Manual* (December 2021), Chapter 7, p. 29.

(b) where some other condition in the market makes sales in that market not suitable for use in determining prices under subsection 269TAC(1).

According to the Manual:[29]

> *Government influence on prices or costs could be one cause of "artificially low pricing". Government influence means influence from any level of government.*
>
> *In investigating whether a market situation exists due to government influence, the Commission will seek to determine whether the impact of the government's involvement in the domestic market has materially distorted competitive conditions. A finding that competitive conditions have been materially distorted may give rise to a finding that domestic prices are artificially low or not substantially the same as they would be if they were determined in a competitive market.*

The Applicants contend that a particular market situation (**PMS**) exists in the market for structural timber in China. In making this claim, the Applicants rely on the following body of evidence:

a. the system of pervasive influence of the Government of the People's Republic of China (**GOC**) and the Chinese Communist Party (**CCP**) over the forestry and wood products sector in China generally and the structural timber industry in particular;

b. the central role of state-owned enterprises (**SOEs**), including the Guangxi Forestry Group Co., Ltd. and major state-affiliated trading houses such as SUMEC Group Corporation and Jiangsu High Hope Arser Co., Ltd. (Arser), in the Chinese timber processing and wood products industries;

c. the range of national, provincial and sectoral industrial policies designating the forestry and wood products industries as strategic and providing direct and indirect support, including the 14th Five-Year Plan on the Development of the Forest and Grassland Industry (2021–2025);

d. widespread receipt by Chinese timber and wood products producers of government grants, subsidies, and preferential financing;

e. the location of major Chinese structural timber producers in development zones and industrial parks attracting preferential land, tax, infrastructure and energy treatment;

f. significant cost distortions in respect of key inputs into structural timber production, namely timber logs, structural adhesives (phenol-formaldehyde, melamine-formaldehyde and other resins), energy (electricity, natural gas, coal), environmental compliance, labour, and land use rights; and

g. concurrent findings by the European Commission (**EC**) and the United States (**U.S.**) Department of Commerce (**DOC**) in their respective anti-dumping investigations of hardwood plywood from China (a closely related wood product) that significant distortions exist in the Chinese wood products sector, rendering Chinese domestic prices and costs unsuitable for normal value determination.

On the basis of those distortions, the Applicants contend:

[29] Ibid.

- the conditions for a PMS within the meaning of s.269TAC(2)(a)(ii) of the Act and Article 2.2 of the Anti-Dumping Agreement are satisfied;

- domestic sales of structural timber in China do not permit a proper comparison with export prices, and the Commission should disregard those sales for the purposes of determining normal values; and

- the Commission should ascertain normal values by reference to a constructed cost methodology under s.269TAC(2)(c) of the Act.

II. Legal Standard

Sections 269TAC(1) and TAC(2)(c) of the Act give domestic effect to Article 2.2 of the WTO's Anti-Dumping Agreement (**ADA**), which states:

> *When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation or the low volume of sales in the domestic market of the exporting country, such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with … the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.*

The WTO Panel (**the Panel**) in *Australia – Anti-Dumping Measures on A4 Copy Paper* (**A4 Copy *Paper***) interpreted this provision to mean that "the phrases 'particular market situation' and 'permit a proper comparison' work together to constitute a condition under which an investigating authority may set aside domestic-market sales as the basis for normal value."[30]

The Panel's reading establishes a two-step, case-specific and fact-driven analysis[31] in which the authority must determine, sequentially: (1) whether a PMS exists in the domestic market of the exporting country; and (2) if so, whether, as a consequence of that PMS, the individual exporter's domestic sales fail to permit a proper comparison between domestic and export prices.[32]

The Panels in A4 Copy Paper and in *European Union – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia (Second Complaint)* ("*EU-Cost Adjustment Methodologies (Second)*") elaborated this framework with the following additional guidance:

- the wording of Article 2.2 cannot be read as restricting the phrase "particular market situation" to any single, defined situation.[33]

- the phrase "particular market situation" is not a definition capable of foreseeing every set of circumstances an investigating authority may confront in which a proper comparison cannot be made. In the Panel's view, the use of such an expression must be treated as intentional. The expression is bounded by its qualifiers "particular"

[30] Non-Confidential Attachment B-3.1: Panel Report, Australia – Anti-Dumping Measures on A4 Copy Paper (**A4 Copy Paper**), WT/DS529/R, para. 7.27.
[31] Ibid, at para. 7.21.
[32] Ibid, at para. 7.91.
[33] Non-Confidential Attachment B-3.2: Panel Report, European Union – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia (Second Complaint) (**EU-Cost Adjustment Methodologies (Second)**), WT/DS494/R, para. 7.181.

and "market", but for that reason cannot be construed in a way that exhaustively details the circumstances or arrangements which would amount to a situation that an investigating authority may need to assess.[34]

- the market situation must be distinct, individual, single, or specific, but this does not necessarily render it unusual or out of the ordinary.[35]

- neither the text nor the operation of Article 2.2 supports a PMS assessment as necessarily relating exclusively to a country "as a whole".[36]

- the Panel identified no basis for the argument that, when examining a PMS allegation, an investigating authority is precluded from analysing "whether prices are 'artificially low' on the basis of an examination of supply and demand signals in markets, of alleged market distortions, or of product or input prices as compared to prices in world markets or representative markets."[37]

- a determination of "particular market situation" based on the existence of low input prices, on a factual finding concerning a situation that allegedly did not exclusively affect domestic sales, or on certain government policies affecting the input sector does not render the determination inconsistent with Article 2.2 of the AD Agreement.[38]

- the term "particular market situation" does not require or contemplate an *in abstracto* analysis of whether the situation is capable of preventing domestic sales from permitting a proper comparison. That assessment is already properly and adequately performed by the words "because of" and "not permit a proper comparison" in Article 2.2.[39]

- where the investigating authority has determined that a PMS exists, it must then examine whether a proper comparison between domestic and export prices is or is not permitted. The proper comparison requires an assessment of the differences between domestic and export prices.[40]

- although the proper comparison referred to in Article 2.2 is the comparison between domestic and export prices, a comparison based only on the numerical relationship between those two prices may disclose nothing about whether the domestic price can be properly compared with the export price. What is required, instead, is a qualitative comparison of the two prices.[41]

- the Panel observed:[42]

> *In our view, the way in which the domestic prices and export prices of an individual exporter [footnote omitted] respond to an equal reduction in input costs is likely to depend significantly on a range of factors, including the conditions of competition prevailing in each market and the existing relationship between price and cost. We consider that an*

[34] Non-Confidential Attachment B-3.1: A4 Copy Paper, at para. 7.21.
[35] Ibid, at para. 7.22.
[36] Non-Confidential Attachment B-3.2: EU-Cost Adjustment Methodologies (Second) at para. 7.195, Annex 4.
[37] Ibid, at para. 7.197, Annex 4.
[38] Non-Confidential Attachment B-3.1: A4 Copy Paper, at paras. 7.32, 7.40, 7.56, and 7.57.
[39] Ibid, at para. 7.27.
[40] Ibid, at para. 7.73.
[41] Ibid, at para. 7.75.
[42] Ibid, at paras. 7.80 and 7.81.

exporter may have different options as to how to take advantage of a decrease in input cost depending on the market conditions in each market. This is similar to a circumstance in which a cost increase occurs and the exporter encounters different market conditions in the domestic and the export markets such that the exporter can pass on the cost increase to customers in one market but cannot do so in the other. We are therefore not persuaded that a low-priced input used identically to produce merchandise for both the domestic and export markets will necessarily have the same effect on domestic and export prices and will therefore necessarily permit a proper comparison. We find rather that whether the exporter's domestic sales permit a proper price comparison with the export price is a question that can only be resolved through an examination of the relevant factual circumstances.

III. A PMS exists in the Chinese structural timber market

Government influence over the Chinese forestry and wood products sector

China is a "socialist market economy" in which the CCP exercises pervasive guidance and control over economic decision-making at the central, provincial, municipal and enterprise levels.[43] As the European Commission concluded in the *Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations* (**EC 2024 Distortions Report**), SWD(2024) 91 final (10 April 2024):[44]

> *China's economic system is unique, with a particular role of the State and of the CCP [chapter reference omitted]. The doctrine of social market economy is one of those elements that embodies China's specific socio-economic setup. The basic features of the socialist market economy are dominant State-ownership [chapter reference omitted] an extensive and sophisticated economic planning system [chapter reference omitted], as well as interventionist industrial policies and a broad array of other tools to pursue political and economic objectives set by the Party.*

The European Commission, citing Chinese government statistics, has found that as of recent years approximately 70 percent of private enterprises in China have established CCP cells, and that the CCP has institutionalised mechanisms for influencing the operational and strategic decision-making of those enterprises.[45] In Commission Implementing Regulation (EU) 2021/635 (hot-rolled steel from China), the Commission specifically observed that CCP cells within both state-owned and private enterprises interfere with business decisions.[46] The legal basis for this institutional party influence is well established:

(a) Article 33 of the CCP Constitution requires that Primary-level Party organisations in state-owned enterprises play a leadership role and discuss and decide on

[43] Constitution of the People's Republic of China (as amended 2018), Article 1 (describing China as a "socialist state"); see also Article 6 (on socialist public ownership of the means of production). Refer https://english.www.gov.cn/archive/lawsregulations/201911/20/content_WS5ed8856ec6d0b3f0e9499913.html

[44] Non-Confidential Attachment B-3.3: European Commission, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, SWD(2024) 91 final (10 April 2024), Chapter 2 (Socialist Market Economy).

[45] Ibid, Chapter 3 (Chinese Communist Party).

[46] Non-Confidential Attachment B-3.4: Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded tubes and pipes of iron or non-alloy steel originating in Belarus, the People's Republic of China and Russia, recital 119 (p. 15).

major issues of their enterprise. In non-public economic entities, primary-level Party organisations are mandated to ensure implementation of Party policy, supervise enterprises in observing the laws of the State, and provide political guidance to management.[47]

(b) Article 18 of the Company Law of the People's Republic of China (2023 Revision) provides that "In the company, in accordance with the provisions of the Constitution of the Communist Party of China, an organisation of the Communist Party of China shall be established to carry out party activities. The company shall provide necessary conditions for the activities of party organisations."[48]

(c) The China Securities Regulatory Commission's *Code of Corporate Governance for Listed Companies* (revised 2018) requires listed SOEs to incorporate Party-building principles into their articles of association and to formalise the role of Party organisations in corporate governance.[49]

The European Commission's provisional anti-dumping determination on hardwood plywood from China (*Commission Implementing Regulation (**EU**) 2025/1139 of 6 June 2025*) (**EU plywood**) confirmed these findings specifically in the context of the wood products sector, concluding that *…it is not appropriate to use domestic prices and costs to establish normal value…* in the Chinese hardwood plywood market due to the existence of significant distortions.[50]

This finding is directly relevant to the present application, as structural timber is a product of the same Chinese forestry and wood-processing industry, subject to the same system of state influence and planning.

State ownership and industrial concentration in the forestry and wood products sector

While the Chinese hardwood plywood (and by extension, the structural timber) industry is characterised by many small and medium-sized producers, the GOC maintains direct and indirect ownership stakes in key market participants and exercises control through policy supervision and CCP structures. The EU plywood investigation identified the following state-affiliated entities operating within the Chinese wood products sector:[51]

- Guangxi Forestry Group Co., Ltd.: described as *…a large-scale state-owned enterprise directly under the People's Government of the Autonomous Region…*, whose Chairman also serves as Secretary of the group's Party Committee;[52]

- SUMEC Group Corporation: a subsidiary of SINOMACH, described as *…a state-owned backbone enterprise under the direct control of the central government…*, with board members serving as Party Committee secretaries and deputy secretaries;[53]

- Jiangsu High Hope Arser Co., Ltd. (Arser): in which the GOC holds a stake exceeding 40 percent, selected as a demonstration company by the China National Forest

[47] Non-Confidential Attachment B-3.5: Seafarer, Prevailing Winds, *Party Committees in Chinese Companies*, June 2021.
[48] Non-Confidential Attachment B-3.6: Company Law of the People's Republic of China (2023 Revision), Article 18.
[49] Non-Confidential Attachment B-3.7: China Securities Regulatory Commission, Code of Corporate Governance for Listed Companies (revised 30 September 2018).
[50] Non-Confidential Attachment B-3.8: Commission Implementing Regulation (EU) 2025/1139 of 6 June 2025 imposing a provisional anti-dumping duty on imports of hardwood plywood from the People's Republic of China, OJ L 2025/1139, 10.6.2025, see recitals (86) - (180).
[51] Implementing Regulation (EU) 2025/1139, recitals (121) - (130).
[52] Implementing Regulation (EU) 2025/1139, recitals (122) and (138).
[53] Implementing Regulation (EU) 2025/1139, recitals (122) and (139).

Products Industry Association (**CNFPIA**), with the general manager also serving as Party branch secretary; and [54]

- Luli Group Co., Ltd.: a privately owned major wood products producer that has been "cultivated" by the Shandong province government, with its deputy chairman serving as secretary of the Party committee and committing the group to align with the Municipal Party Committee's strategic goals.[55]

The relevant industry association, the CNFPIA, states in its Articles of Association that it *…accepts the business guidance, supervision and management by the entities in charge of registration and management, by the entities in charge of Party building, as well as by the relevant administrative departments in charge of industry management*.[56] Similarly, the *China Timber and Wood Products Distribution Association* (**CTWPDA**) accepts equivalent supervision.[57] These arrangements ensure that even privately owned producers are subject to state policy supervision and guidance.

Industrial policy framework: forestry, wood products, capacity planning

The GOC has issued a substantial body of industrial policy and planning documents that designate the forestry and wood products industry as a strategic and prioritised sector. In particular:

- the *14th Five-Year Plan on the Development of the Forest and Grassland Industry (2021–2025)* (the **14th Forest FYP**), which sets specific output targets: *By 2025 … the output of man-made panels will be stabilized at about 300 million cubic meters, the output of flooring will be stabilized at about 800 million square meters, and the output value of wooden furniture will exceed RMB 800 billion*.[58]

- the *Guiding Catalogue for Industry Structural Adjustment* (2019 and 2024 versions), which lists the wood processing sector as an *…encouraged…* industry while simultaneously listing *…plywood and blockboard production lines with a capacity of less than 10,000 cubic meters per year…* as *…restricted…* effectively amounting to governmental guidance in favour of large-scale producers.[59]

- the *Guiding Opinion on Promoting the High Quality Development of Forestry and Grassland Industry* (National Administration for Forestry and Grassland, 2019), which directs: *By 2025,…the supporting capacity of forest and grass resources will be significantly enhanced, … and the import and export trade volume of forest products shall reach USD 240 billion…* and requires the *…transformation and upgrading of the processing industry…* including *…optimizing the layout of the raw material base as well as of the forest and grass product processing industry*.[60]

- provincial and local-level industrial plans, including the Guangxi Autonomous Province 14th FYP which directs the "transformation and upgrading of traditional

[54] Implementing Regulation (EU) 2025/1139, recitals (122) and (137).
[55] Implementing Regulation (EU) 2025/1139, recitals (122) and (140).
[56] CNFPIA Articles of Association, Article 3; cited in Implementing Regulation (EU) 2025/1139, recital (126).
[57] CTWPDA Articles of Association, Article 3; cited in Implementing Regulation (EU) 2025/1139, recital (129).
[58] 14th Five-Year Plan on the Development of the Forest and Grassland Industry (2021–2025); cited in Implementing Regulation (EU) 2025/1139, recital (97) and (125).
[59] Guiding Catalogue for Industry Structural Adjustment (2019), Section I.1.39; (2024), Section I.1.7; cited in Implementing Regulation (EU) 2025/1139, recital (124).
[60] Guiding Opinion on Promoting the High Quality Development of Forestry and Grassland Industry (2019); cited in Implementing Regulation (EU) 2025/1139, recitals (145) - (146).

industries such as … wood processing" and focuses on "building an entire industry chain of manufactured board, furniture and home furnishing." The Shuyang District (Jiangsu) *Opinion on the High Quality Development of Wood Processing and Furniture Manufacturing Industry* (January 2024) sets targets to "cultivate 1–2 listed companies, 1–2 enterprise groups with an output value exceeding RMB 5 billion."[61]

- a longstanding *…going overseas…* policy, as documented by the Chinese Academy of Forestry, aimed at procuring forest resources from Latin America, Southeast Asia, and Africa to promote the international penetration of the Chinese plywood and timber processing industry.[62]

The combination of binding output targets, encouraged-industry designations, state-directed capacity planning, and explicit export trade volume objectives constitutes a substantive system of GOC industrial policy that shapes the conditions of production and competition in the structural timber and LVL market. These policies impede market forces from operating freely.

Access to capital, subsidies, and preferential financing

China's financial system is dominated by state-owned banks which, when granting access to finance, take into consideration criteria other than the economic viability of a project. The EC 2024 Distortions Report confirms that these banks *…comply with an explicit legal obligation to conduct their business in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the state*.[63]

The EU plywood investigation confirmed that the substantial government intervention in China's financial system *…leads to the market conditions being severely affected at all levels…,*" and that *…no evidence was submitted in the present investigation demonstrating that the sector of the product concerned is not affected by the government intervention in the financial system*.[64] The U.S. authorities have separately concluded that the GOC uses *…loans to encourage and support the growth of favoured industries, including those using timber, which would include the hardwood plywood industry*.[65]

The U.S. DOC, in its preliminary CVD determination dated 29 December 2025 in the investigation of Hardwood and Decorative Plywood from China (the **US CVD plywood prelim.**) outlined its investigation covering the following program categories applicable to Chinese wood products producers, each of which the DOC found to have a sufficient basis to have conferred a countervailable benefit:[66]

a. Preferential lending programmes: including policy loans to the hardwood and decorative plywood industry, preferential loans for state-owned enterprises, water-saving loans to the industry in Jiangsu Province, and loans and interest subsidies provided pursuant to the Northeast Revitalization Program;

[61] Implementing Regulation (EU) 2025/1139, recitals (146) - (147).
[62] Chinese Academy of Forestry, Research Institute of Forestry Policy and Information, Case study in the plywood industry in China, Biennial Review 2015–2016; cited in Implementing Regulation (EU) 2025/1139, recital (97).
[63] EC 2024 Distortions Report, Chapter 6 (Capital), p. 149 -150; cited in Implementing Regulation (EU) 2025/1139, recitals (158) - (167).
[64] Implementing Regulation (EU) 2025/1139, recitals (166) - (167).
[65] US International Trade Administration, Decision Memorandum for the Preliminary Affirmative Determination: Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China, 17 April 2017; cited in Implementing Regulation (EU) 2025/1139, recital (100).
[66] Non-Confidential Attachment B-3.9: U.S. Department of Commerce, Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Hardwood and Decorative Plywood from the People's Republic of China (C-570-212), dated 29 December 2025 (US CVD Plywood Prelim), at pp. 12–14 and Appendix (AFA Rate Calculation). This was in the absence of cooperation from both mandatory respondents and the GOC.

b. Grant programs: including export assistance grants, export interest subsidies, interest loan subsidies for the forestry industry, subsidies for development of "Famous Brands" and China World Top Brands, sub-central government subsidies for development of Famous Brands, funds for outward expansion of industries in Guangdong Province, provincial fund for fiscal and technological innovation, state key technology renovation fund, Shandong Province's special fund for key enterprise technology centres, Shandong Province's environmental protection industry R&D funds, waste water treatment subsidies, and the Technology to Improve Trade R&D Fund;

c. Income tax reduction and exemption programs: including income tax reductions for high and new technology enterprises, tax offsets for R&D under the enterprise income tax, preferential income tax policy for enterprises in the northeast region, income tax benefits for FIEs based on geographic location, and local income tax exemption and reduction programmes for "productive" FIEs; and

d. Provision of goods and services for less than adequate remuneration (**LTAR**): including provision of electricity for LTAR, provision of water for LTAR, provision of timber for LTAR, provision of land-use rights to the plywood industry for LTAR, provision of land-use rights in industrial zones and parks for LTAR, and provision of land to SOEs for LTAR.

In applying adverse facts available to non-cooperating respondents, the DOC determined a total preliminary CVD ad valorem rate of 81.34 percent. While the Applicants do not rely on this AFA rate as a verified measure of subsidy quantum, the initiation of the investigation and the DOC's preliminary finding that all programs under investigation conferred financial contributions and were specific independently confirms that these programs are operative, sector-applicable, and material in their effect on the cost structures of Chinese wood products producers.

These findings build on the longstanding US Hardwood Plywood CVD Order (4 January 2018) and its subsequent administrative reviews, most recently the 2021–2022 review (19 May 2025), under which countervailing duties have been applied to Chinese hardwood plywood continuously since 2018, confirming the sustained and systemic character of the subsidisation of the Chinese wood products sector.[67]

Wage distortions

A system of market-based wages cannot fully develop in China as workers and employers are impeded in their rights to collective organisation. China has not ratified fundamental International Labour Organisation (ILO) conventions on freedom of association and collective bargaining. Only one trade union organisation is active, and it lacks independence from the state. The Chinese household registration (*hukou*) system restricts workforce mobility, typically resulting in migrant workers receiving lower income than local residents.[68]

[67] Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order, 83 FR 513 (4 January 2018) (Hardwood Plywood CVD Order – refer https://www.federalregister.gov/documents/2018/01/04/2017-28481/certain-hardwood-plywood-products-from-the-peoples-republic-of-china-countervailing-duty-order); Certain Hardwood Plywood Products from the People's Republic of China: Final Results of Administrative Reviews of the Antidumping and Countervailing Duty Orders, Final Determination of No Shipments; 2021–2022, 90 FR 21271 (19 May 2025). Refer https://www.federalregister.gov/documents/2025/05/19/2025-08820/certain-hardwood-plywood-products-from-the-peoples-republic-of-china-final-results-of-administrative

[68] EC 2024 Distortions Report, p. 337–341, 360–373; Implementing Regulation (EU) 2025/1139, recitals (154)–(157).

Discriminatory application of bankruptcy, corporate and property laws

The Chinese bankruptcy system delivers inadequately on its main objectives, with bankruptcy filings remaining notoriously low relative to the size of the economy. All land in China is owned by the State (urban) or collectives (rural), and industrial land use rights are allocated by local governments at administratively determined prices, often at substantial discounts to market rates.

China's forest management is under the jurisdiction of the National Administration for Forestry and Grassland (**NAFG**), which oversees the approval of all timber processing activities and the allocation of forestry resources. A Chinese Academy of Forestry study found that state-owned forests constituted the main origin for the raw materials used by plywood companies.[69]

Major distortions in critical cost areas: structural timber specific inputs

The following are among the major input cost categories in the production of structural timber. The Applicants submit that the GOC influences the cost in ways that distort domestic price formation and render Chinese cost records an unreliable benchmark of competitive market cost.

Timber logs (the primary raw material input)

Timber logs, whether poplar, pine, eucalyptus, birch, or other species, are the primary raw material for structural timber production. The Applicants submit that the Chinese timber log market is subject to significant state intervention:

- China's forest management is administered by the NAFG, which develops policies for the allocation of forestry resources and oversees the approval of all timber processing activities;[70]
- state-owned forests constitute the main origin for raw materials used by wood products companies, with allocation determined by administrative rather than market processes;
- the 14th Forest FYP and the Guiding Opinion on Forestry explicitly direct the *…optimization of the raw material base…*; and
- China's 'going overseas' policy for forest resource procurement from developing countries distorts the landed cost of imported timber by directing procurement on a strategic rather than commercial basis.

Structural adhesives: phenol-formaldehyde and melamine-formaldehyde resins

The production of LVL requires substantial quantities of structural-grade adhesives, typically phenol-formaldehyde (PF) or melamine-formaldehyde (MF) resins. China is the world's largest producer of the upstream chemicals (methanol, formaldehyde, phenol, urea), and each of these markets is subject to substantial state ownership, state directive, and overcapacity-driven distortion as documented by the EC 2024 Distortions Report at Chapter 14 (Chemicals).

[69] Implementing Regulation (EU) 2025/1139, recitals (149)–(153); Chinese Academy of Forestry, Biennial Review 2015–2016, p. 46.
[70] Food and Agriculture Organization of the United Nations, FAOLEX Database China; cited in Implementing Regulation (EU) 2025/1139, recital (98).

State-directed coal-to-methanol projects have created persistent overcapacity; phenol is produced by SOE-affiliated petrochemical groups (Sinopec, CNPC, CNOOC subsidiaries) with substantial cross-subsidisation; and urea/ammonia is subject to state-administered VAT export rebate adjustments and seasonal export restrictions that influence the domestic price.[71]

Energy: electricity, natural gas, coal

Timber drying (kiln-drying), LVL pressing operations, and associated manufacturing processes are energy-intensive. Electricity pricing for industrial consumers in China is not market-based: it is administratively determined by reference to NDRC and provincial price authorities. The GOC operates a Differential Electricity Pricing regime under which industries classified as 'encouraged' (which, on a policy reading, includes wood processing) qualify for preferential rates and exclusion from surcharges. Industrial consumers located in development zones routinely receive further discounts.

Natural gas pricing is subject to a 'dual-track' system with cross-subsidisation, and coal pricing is subject to extensive government coordination including long-term contract directives and price-band mechanisms.[72]

Land use rights

All urban land in China is owned by the State and all rural land by collectives. Local governments hold a monopoly over the primary market for industrial land allocation. Research demonstrates that local governments systematically allocate industrial land at below-market prices in order to attract investment. This subsidisation is reflected in lower depreciation and amortisation costs in Chinese producer financial statements and is a feature of the PMS.[73]

Environmental compliance costs

The Applicants submit that differential environmental enforcement between China and Australia is a relevant input cost distortion. Chinese environmental enforcement is uneven across provinces and over time, and Chinese waste disposal and emissions compliance costs are systematically below international benchmarks. Where Chinese producers do not bear the same environmental compliance costs that an Australian producer must bear, the resulting cost differential is not a reflection of underlying competitive efficiency.

IV. Due to the PMS, Chinese domestic sales do not permit a proper comparison

Even after a PMS is established under the first limb of Article 2.2, the second limb requires that the investigating authority be satisfied that because of a PMS, domestic sales do not permit a proper comparison with export prices. The *A4 Copy Paper* Panel emphasised that the question is qualitative and is to be assessed by reference to the relationship between price and cost, the prevailing conditions of competition, and the differences between the markets in question.[74]

[71] EC 2024 Distortions Report, Chapter 14 (Chemicals).
[72] NDRC, Notice on Improving the Differential Electricity Pricing Policy (2006); NDRC Price [2021] No. 1093; EC 2024 Distortions Report, Chapter 10 (Energy).
[73] Implementing Regulation (EU) 2025/1139, recital (151); He, Nelson et al., Zoning for Profits: How Public Finance Shapes Land Supply in China, NBER Working Paper No. 30504 (October 2022). Refer https://www.nber.org/papers/w30504
[74] A4 Copy Paper, WT/DS529/R, paras. 7.73, 7.75, 7.80–7.81, 7.91.

Conditions of competition differ between the Chinese and Australian markets

The Chinese structural timber market is characterised by: (a) significant and growing overcapacity in the wood-based panel and engineered timber sectors, driven by state-directed capacity expansion; (b) a narrow and artificially low domestic price range, reflecting the structural subsidisation described above; (c) the slowing Chinese construction sector, which has created untapped stocks and surplus capacity that are being redirected to export markets; and (d) the systemic PMS distortions described within this application.

The EU plywood investigation specifically found that *The untapped stocks of hardwood plywood built up in China as a result of the slowdown of the Chinese construction industry were quickly mobilized to fill in the gap left by Russian and Belarusian hardwood plywood in the Union market*.[75] This finding of surplus Chinese capacity being redirected to export markets is directly relevant to the Australian structural timber market, where Chinese LVL imports have been displacing domestically produced structural timber.

The Australian structural timber market, by contrast, is characterised by: (a) a small number of domestic producers manufacturing timber products to Australian Standards (AS 1720 series, AS/NZS 4357 for LVL); (b) a competitive market structure in which prices are formed by reference to commercial costs; and (c) imports, led by Chinese LVL, increasingly capturing market share by operating as the price leader.

The existence and character of these distortions is independently corroborated by the Australian Timber Importers Federation Inc (**ATIF**), the peak representative body of Australian timber importers, whose members account for approximately 70 percent of all timber imported into Australia.

The ATIF attributes the recent fall in Chinese LVL export prices and the surge in export volumes to structural features of Chinese export manufacturing; specifically, *…a lower cost base and heavy subsidies…*, *…lower energy, input and labour costs, deep vertical integration, and large and growing domestic overcapacity (in plywood and LVL), where Chinese supply capacity now exceeds domestic consumption*.[76] The ATIF further records that the number of Chinese mills producing significant volumes of LVL has increased from approximately 4 to approximately 25 in recent years, with plants now purchasing logs rather than veneer so as to produce lower-grade LVL at price points competitive with domestic structural lumber.

That an industry body representing importers of the subject goods should independently identify heavy subsidisation, systemic overcapacity, and an artificially low-cost base as the drivers of Chinese export pricing is significant corroboration of the PMS distortions relied upon in this application.

Trade remedy findings confirm distortions

The conclusion that Chinese domestic pricing in the wood products sector is distorted is corroborated by concurrent trade remedy findings across multiple jurisdictions:

- the EU (as articulated comprehensively above, via Commission Implementing Regulation (EU) 2025/1139, 6 June 2025) imposed anti-dumping duties of 25.1 to

[75] Implementing Regulation (EU) 2025/1139, recital (256).
[76] Non-Confidential Attachment B-3.11: Australian Timber Importers Federation Inc, Submission 37 to the Senate Standing Committee on Foreign Affairs, Defence and Trade inquiry into the *Effectiveness of Sanctions against the Russian Federation* (12 June 2026), at p.12 (Section 5.1, International context).

62.4 percent on hardwood plywood from China, having concluded that significant distortions render Chinese domestic prices unsuitable for normal value determination;

- the U.S. A-570-211 preliminary determination of 24 February 2026 continues to treat China as a non-market economy for the wood products sector, applying surrogate values and determining preliminary dumping margins of 187.27 percent;[77] and

- the U.S. existing AD order on certain hardwood plywood products from China (articulated above) demonstrating a sustained history of injurious dumping by the Chinese wood products industry.

Relationship between price and cost: the distortive effects

The input cost categories addressed above (timber logs, structural adhesives, energy, environmental compliance, land) collectively constitute the major part of the cost to make and sell structural timber and LVL. Each of those input cost categories is, on the evidence summarised, materially distorted by GOC influence.

Chinese domestic prices for LVL and structural timber therefore reflect a cost base that is not representative of competitive market costs. The cumulative effect is that any comparison between Chinese domestic prices and Australian export prices would not be a proper comparison within the meaning of Article 2.2 and s.269TAC(2)(a)(ii).

V. Conclusion

For the reasons set out above, the Applicants contend that a PMS exists in the Chinese structural timber market and that domestic sales in China do not permit a proper comparison with export prices. The Applicants accordingly request the Commission to:

a. find a positive PMS under s.269TAC(2)(a)(ii) of the Act;

b. issue questionnaires to Chinese exporters and the GOC, seeking information on ownership, governance, Party Committee composition, government subsidies, input pricing, energy procurement, land use rights, environmental compliance costs, and pricing methodology; and

c. construct normal values for each cooperating Chinese exporter under s.269TAC(2)(c) of the Act using undistorted benchmarks.

2. Specify the terms and conditions of the sale, where known.

Not applicable.

3. Provide supporting documentary evidence.

Not applicable.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

Not applicable.

[77] Non-Confidential Attachment B-3.10.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and adminstration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
  OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

As outlined in Section B-3 above, due to a PMS in the Chinese domestic market, the Applicants do not consider that domestic selling prices are suitable for establishing normal values under subsection 269TAC(1) of the Act. In the absence of suitable domestic sales, the Applicants have sought to construct normal values.

Given the submitted evidence referenced in section B-3 demonstrating that key raw materials are also impacted and distorted by Chinese Government interventions, the Applicants have constructed normal values on the basis of costs that reasonably reflect competitive market costs. The Applicants have relied on their own MGP cost to make (**CTM**) data for this purpose.

It is estimated that the cost to manufacture Australian LVL is approximately A$[*XXX*]/m³, compared with approximately A$[*XXX*]/m³ for Australian MGP structural timber. On this basis, LVL incurs an additional manufacturing cost of approximately A$[*XXX*]/m³, approximately [*XX*] percent above the cost of manufacturing MGP timber. [78]

Notwithstanding this material difference, the Applicants have elected to retain the lower MGP CTM in the constructed normal value calculations. The resulting constructed normal values, and therefore the calculated dumping margins, are therefore conservative. If the estimated additional cost associated with the manufacture of LVL were instead reflected in the calculations, the CTM would be materially higher and would result in correspondingly higher constructed normal values and higher dumping margins.

The Australian direct labour component of the MGP CTM has been adjusted to reflect Chinese manufacturing labour costs. Based on official Chinese and Australian manufacturing wage data, Chinese manufacturing earnings are approximately [*XX*] of comparable Australian earnings when converted at prevailing exchange rates. The Applicants have therefore conservatively applied a factor of [*XX*] percent to the Australian direct labour cost.

For selling, general and administration (SG&A) expenses, the Applicants do not have access to Chinese costs. In the absence of this information, the Applicants have applied 16.1 to the above undistorted CTM. This level of SG&A was applied in the above-assessed Commission Implementing Regulation (EU) 2025/1139).

For the amount for profit, and given that the China PMS renders domestic profits unsuitable, a reasonable amount has been determined by reference to the profit realised by producers of

[78] Confidential Attachment B-4.2.

comparable merchandise operating in a market economy under undistorted conditions.

Specifically, a profit of 8.4 percent (expressed as a percentage of COGS) has been adopted, being the profit derived from the audited financial statements of five plywood producers in Türkiye in the above-assessed Commission Implementing Regulation (EU) 2025/1139. While that determination concerned hardwood plywood rather than the goods the subject of this application, both are engineered wood products manufactured through comparable processes, and the Turkish profit provides a reasonable, market-based benchmark for a competitive return in the sector, absent the distortions present in China.

2. Provide supporting documentary evidence.

Supporting documentation has been provided at Confidential Attachment B-4.1.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

Normal values nominated in this application have been determined at the ex-factory level. Export prices for the goods exported to Australia from China have been determined at the FOB point, country of export.

Adjustments will be required for, inter-alia and specific to each exporter, domestic and export credit terms, and domestic and export packing, etc. The Applicants do not have details of such costs for Chinese subject goods exporters.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

The above-noted adjustments have not been included.

B-6 Dumping margin

1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).

The Applicants have calculated prima facie dumping margins for structural timber exported from China for the 12 months ending June 2026 as follows:

Quarter	Dumping Margin – A$/M3	Dumping Margin – % of export price
Jul. – Sept. 2025	$[*XXX*]	40.12%
Oct. – Dec. 2025	$[*XXX*]	143.00%
Jan. – Mar. 2026	$[*XXX*]	63.43%
Apr. – Jun. 2026	$[*XXX*]	67.65%

2. Show dumping margins as a percentage of the export price.

As shown above.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
   (i) the nature and title of the subsidy;
   (ii) the government agency responsible for administering the subsidy;
   (iii) the recipients of the subsidy; and
   (iv) the amount of the subsidy.

I. Introduction

The Applicants allege that producers and exporters of the goods in China have received, and continue to receive, countervailable subsidies within the meaning of s.269TAAC and s.269T of the *Customs Act 1901* (Cth) and Part 4A of the *Customs Tariff (Anti-Dumping) Act 1975 (Cth)*. The subsidies alleged are provided by, or at the direction of, the GOC at the central, provincial, and local government levels.

The Applicants rely primarily on findings made by the United States Department of Commerce in:

- the preliminary CVD determination in Hardwood and Decorative Plywood from the People's Republic of China (C-570-212, 29 December 2025) (**the US CVD plywood prelim.**);[79] and

- the existing CVD Order in Certain Hardwood Plywood Products from the People's Republic of China (C-570-052, 83 FR 513, 4 January 2018) and subsequent administrative reviews, most recently the 2021–2022 review (90 FR 21271, 19 May 2025) (**the hardwood plywood CVD order**).[80]

Structural timber products are derived from the same Chinese wood-processing industry as hardwood plywood. The Applicants submit that each program identified below is applicable to Chinese producers of structural timber on the same basis as it applies to Chinese hardwood plywood producers, given the shared industry structure, government oversight mechanisms, input supply chains, and development zone locations of producers across these product categories.

[79] Non-Confidential Attachment C-1.1.
[80] Non-Confidential Attachment C-1.2.

II. Alleged subsidy programs

The following programs are alleged to constitute countervailable subsidies, grouped by type of financial contribution.

Category 1: Preferential lending

a. Policy loans to the Chinese structural timber industry

- Financial contribution: direct transfer of funds in the form of loans provided at below-market interest rates by state-owned commercial banks acting in accordance with state industrial policy, constituting a financial contribution within the meaning of s.269TAAC(1)(a).

- Benefit: the difference between the interest rate paid on GOC-directed loans and a market-determined benchmark rate, constituting a benefit within the meaning of s.269TAAC(1)(b).

- Specificity: limited to enterprises in the wood products and forestry sector as designated under the 14th Forest FYP and associated industrial policy, and to enterprises located in designated development zones, constituting enterprise and industry specificity within the meaning of s.269TAAC(3).

b. Preferential loans for state-owned enterprises

- Financial contribution, benefit, and specificity as for (a) above; applicable to the substantial state-owned and state-affiliated component of the Chinese structural timber industry, including Guangxi Forestry Group and SUMEC Group entities identified in the PMS arguments above.

c. Northeast Revitalization Program loans and interest subsidies

- Financial contribution, benefit, and specificity as for (a) above; geographically specific to enterprises located in northeast Chinese provinces under the Northeast Revitalization Program, which overlaps with key structural timber producing regions.

Category 2: Grants and direct payments

d. Export assistance grants and export interest subsidies

- Financial contribution: direct transfers of funds contingent on export performance, constituting a financial contribution within the meaning of s.269TAAC(1)(a) and a prohibited (export-contingent) subsidy under Article 3 of the WTO SCM Agreement.

- Benefit: full grant amount received.

- Specificity: export-contingent and therefore per se specific under s.269TAAC(3)(c).

e. *Interest loan subsidies for the forestry industry; subsidies for development of "Famous Brands" and China World Top Brands*

- Financial contribution: direct transfers of funds specific to enterprises in the forestry and wood-processing industries, or contingent on designation as a recognised brand by GOC authorities.
- Benefit: grant amount received.
- Specificity: industry-specific (forestry and wood products); or limited to designated enterprises.

f. *Regional and provincial grant programs*

- Includes funds for outward expansion of industries in Guangdong Province, provincial fund for fiscal and technological innovation, state key technology renovation fund, Shandong Province's special fund for key enterprise technology centres, Shandong Province's environmental protection industry R&D funds, funds supporting adoption of e-commerce by foreign trade enterprises, waste water treatment subsidies, and the Technology to Improve Trade R&D Fund.
- Financial contribution: direct transfers of funds.
- Benefit: grant amounts received.
- Specificity: geographically and/or industry-specific, limited to enterprises in designated provinces or sectors.

Category 3: Income tax concessions

g. *Income tax reductions for high and new technology enterprises (HNTE) and related concessions*

- Financial contribution: government revenue foregone through a reduced enterprise income tax rate of 15 percent (versus the standard 25 percent) for HNTE-designated enterprises, constituting a financial contribution. Also includes tax offsets for R&D under the enterprise income tax, preferential income tax for enterprises in the northeast region, income tax benefits for FIEs based on geographic location, and local income tax exemption and reduction programmes for productive FIEs.
- Benefit: the difference between the standard corporate income tax rate (25 percent) and the preferential rate applicable to the recipient; or the full value of the tax offset or exemption.
- Specificity: limited to enterprises holding HNTE designation or located in designated geographic zones; enterprise and geographic specificity.

Category 4: Provision of goods and services for less than adequate remuneration (LTAR)

h. Provision of electricity for LTAR

- Financial contribution: provision of electricity by state-controlled utilities at administratively determined prices below market benchmarks, constituting a financial contribution (provision of goods).
- Benefit: the difference between the price paid and an appropriate market benchmark (e.g., regional or international electricity market prices).
- Specificity: Industry-specific; available to wood-processing enterprises classified as "encouraged" industries under the NDRC Guiding Catalogue and to enterprises in development zones receiving further preferential tariffs.

i. Provision of timber for LTAR

Financial contribution: provision of timber logs through state-controlled forestry allocation channels at administratively determined prices below competitive market prices, constituting a financial contribution.

Benefit: the difference between the administered price and a market benchmark (e.g., comparable timber prices in Malaysia, New Zealand, or other competitive markets). The Commission should develop a specific benchmark for timber logs rather than proxies used in the U.S. proceedings.

Specificity: limited to enterprises in the wood-processing sector; the NAFG's role in overseeing all timber processing approvals and resource allocation ensures sector-specific access.

j. Provision of land-use rights for LTAR

Financial contribution: provision of industrial land-use rights by local governments at administratively determined prices below market rates, to the plywood and wood-processing industry, to enterprises in industrial zones and parks, and to SOEs; constituting a financial contribution.

Benefit: the difference between the land-use fee paid and the market price for comparable industrial land.

Specificity: enterprise and geographic specificity. Allocation of discounted industrial land is a standard instrument of local government industrial policy in designated development zones.

k. Provision of water for LTAR

Financial contribution, benefit, and specificity as for (h) above, applied to water supply at below-market rates to industrial users in designated zones.

As noted in Part B, the input-cost advantage conferred by the LTAR programmes described in this Category has been corroborated by the Australian Timber Importers Federation Inc (**ATIF**), the peak body of Australian timber importers, which attributes the competitiveness of

Chinese LVL export pricing to *…lower energy, input and labour costs, deep vertical integration, and large and growing domestic overcapacity…*, alongside *…a lower cost base and heavy subsidies*. The ATIF's identification of below-benchmark energy and input costs as structural drivers of Chinese export pricing, made by the body representing importers of the subject goods, supports the allegation that the provision of electricity, timber, and land for less than adequate remuneration confers a material and countervailable benefit on Chinese producers of the goods.[81]

The Applicants submit that the programs identified above have been operative continuously throughout the relevant period and are ongoing. The hardwood plywood CVD order has been maintained since 2018 and most recently reviewed in 2025 without material change to the findings. The U.S. CVD plywood prelim. covers a period of investigation of 1 January to 31 December 2024, confirming current program operation.

III. Applicant request

The Applicants request that the Commission:

- accept the programs identified above as establishing a sufficient factual basis for the initiation of a countervailing duty investigation in accordance with s.269TG of the Act;
- issue subsidy questionnaires to the GOC and to all known Chinese exporters of the goods seeking details of participation in, and benefits received under, each programme category identified above; and
- determine the countervailable subsidy amount for cooperating and all other exporters using appropriate benchmarks, including third-country or international market prices where domestic Chinese prices and costs are distorted as described in the PMS argument at Section B-3 above.

C-2. Threat of material injury

You must complete this section if the application includes a claim that material injury is threatened to an Australian industry because of the exportation of goods into the Australian market.

Not Applicable.

1. Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:
   (i) the rate of increase of dumped/subsidised imports;
   (ii) changes to the available capacity of the exporter(s);
   (iii) the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
   (iv) inventories of the product to be investigated;

[81] Non-Confidential Attachment B-3.11: Australian Timber Importers Federation Inc, Submission 37 to the Senate Standing Committee on Foreign Affairs, Defence and Trade inquiry into the *Effectiveness of Sanctions against the Russian Federation* (12 June 2026), at p.12

(v) for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or
(vi) any other relevant factor(s).

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application**.**
Applicants are advised to contact the Commission's client support section before completing this section.

1. Fully describe the locally produced raw agricultural goods.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

4. Provide information to establish **either**:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; **or**

- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially

influences) the domestic price of like goods in that country.

2. Nominate a comparable market economy to establish selling prices.

3. Explain the basis for selection of the comparable market economy country.

4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.
Complete this section only if exports from an 'economy in transition' are covered by the application.

Applicants are advised to contact the Commission's client support section before completing this section

1. Provide information establishing that the country of export is an 'economy in transition'.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	**%**	**Value**	**%**
All imports into Australia		100%		100%
Country A* Country B* etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at Appendix A.2 (Australian Market) to complete the table.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
~~Appendix B1~~	~~Deductive Export Price~~
~~Appendix B2~~	~~Constructed Normal Value~~