Australian Government
Department of Industry, Science and Resources

Australian Trade Remedies Commission

Customs Act 1901 Part XVB

Consideration report number: 724

Application for a dumping duty notice
and countervailing duty notice

Submitted by the Australian Forest Products Association, Associated Kiln Driers Pty Ltd, Hyne & Son Pty Ltd, Onefortyone Wood Products Pty Ltd, and Timberlink Australia Pty Ltd

In relation to structural timber exported to Australia from the People's Republic of China

16 November 2026



1.1 Acknowledgement of Country

Our department recognises the First Peoples of this Nation and their ongoing cultural and spiritual connections to the lands, waters, seas, skies, and communities.

We Acknowledge First Nations Peoples as the Traditional Custodians and Lore Keepers of the oldest living culture and pay respects to their Elders past and present. We extend that respect to all First Nations Peoples.

Artwork credit:
DISR Journey
2024
Chern'ee Sutton

CONTENTS

1.1 Acknowledgement of Country ii
CONTENTS iii
ABBREVIATIONS 1
2 FINDINGS AND RECOMMENDATIONS 3
2.1 Findings 3
2.2 Decision 3
3 THE APPLICATION AND AUSTRALIAN INDUSTRY 4
3.1 Lodgement of the application 4
3.1.1 Legislative framework 4
3.1.2 The Commissioner's timeframe 4
3.2 Compliance with section 269TB(4) of the Act 4
3.2.1 Legislative framework 4
3.2.2 Finding 4
3.2.3 The Commission's assessment 4
3.3 The goods the subject of the application 6
3.3.1 The goods 6
3.3.2 Tariff classification 6
3.4 Like goods and the Australian industry 7
3.4.1 Legislative framework 7
3.4.2 Finding 7
3.4.3 Locally produced like goods 8
3.4.4 Manufacture in Australia 10
3.5 Australian industry information 11
3.5.1 Market size 13
4 REASONABLE GROUNDS – DUMPING 15
4.1 Legislative framework 15
4.2 Findings 15
4.3 Export price 15
4.3.1 Legislative framework 15
4.3.2 The Applicant's estimate 15
4.3.3 The Commission's assessment 15
4.4 Normal Value 16
4.4.1 Legislative framework 16
4.4.2 The Applicants estimate 16
4.4.3 The Commission's assessment 17
4.5 Dumping margins 19

4.5.1 Legislative framework 19
4.5.2 The Commission's assessment of the applicants dumping claims 19
4.5.3 Volume of dumped goods 19
5 REASONABLE GROUNDS – SUBSIDISATION 20
5.1 Legislative framework 20
5.2 Findings 20
5.3 Consultation with the Government of China 20
5.4 Subsidy programs 20
5.4.1 Legislative framework 20
5.4.2 The applicants' claims 20
5.4.3 The Commission's assessment 21
5.5 Amount of countervailable subsidy 22
5.5.1 Legislative framework 22
5.5.2 The Commission's assessment 22
5.5.3 Volume of subsidised goods 23
6 REASONABLE GROUNDS – INJURY TO THE AUSTRALIAN INDUSTRY 24
6.1 Legislative framework 24
6.2 Findings 24
6.3 The applicants claim 24
6.4 Approach to injury analysis 25
6.4.1 Legislative framework 25
6.4.2 The Commission's approach 25
6.5 Volume effects 25
6.5.1 Findings 25
6.5.2 Sales volume 25
6.5.3 Market share 26
6.5.4 Production volume 26
6.5.5 Conclusion – volume effects 26
6.6 Price effects 27
6.6.1 Findings 27
6.6.2 Analysis of price depression and price suppression 27
6.6.3 Conclusion – price effects 28
6.7 Profit and profitability effects 28
6.7.1 Findings 28
6.7.2 Profit and profitability effects 28
6.8 Other injury factors 29
6.8.1 Findings 29

6.8.2 Other injury factors 29
7 REASONABLE GROUNDS – CAUSATION FACTORS 31
7.1 Legislative framework 31
7.2 Findings 31
7.3 The Applicants claims 31
7.4 The Commission's assessment 32
7.4.1 Dumping margin and amount of countervailable subsidy 32
7.4.2 Volume effects 32
7.4.3 Price effects 32
7.4.4 Profit and profitability effects 33
7.4.5 Injury caused by factors other than dumping and subsidisation 33
7.4.6 Materiality of injury 33
7.5 Conclusion – material injury caused by dumping and subsidisation 33
6 APPENDICES AND ATTACHMENTS 35
NON-CONFIDENTIAL APPENDIX 1 – IDENTIFIED SUBSIDY PROGRAMS 36

ABBREVIATIONS

Abbreviation or short form	Full name or meaning
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
the Act	*Customs Act 1901* (Cth)
AFPA	Australian Forest Products Association
AKD	Associated Kiln Driers Pty Ltd
the Applicants	The following organisations, collectively: Australian Forest Products Association Associated Kiln Driers Pty Ltd Hyne & Son Pty Ltd Onefortyone Wood Products Pty Ltd Timberlink Australia Pty Ltd
AS	Australian Standard
AS/NZS	Australian/New Zealand Standard
AUD	Australian Dollars
China	People's Republic of China
CLT	cross-laminated timber
the Commission	Australian Trade Remedies Commission
the Commissioner	Commissioner of the Australian Trade Remedies Commission
COGS	cost of goods sold
CTM	cost to make
CTMS	cost to make and sell
CVD	countervailing duty
EC	European Commission
EU	European Union
EXW	ex-works
FOB	free on board
FR	Federal Register
FY	financial year
Glulam	flued-laminated timber
GOC	Government of China
the goods	structural timber
HNTE	high and new technology enterprise
Hyne	Hyne & Son Pty Ltd
LTAR	less than adequate remuneration
LVL	laminated veneer lumber
Minister	Minister for Industry and Innovation and Minister for Science

Abbreviation or short form	Full name or meaning
MGP	machine-graded pine
MOE	modulus of elasticity
MPa	megapascals
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
OFO	OneFortyOne Wood Products Pty Ltd
ROI	return on investment
SCM Agreement	WTO Agreement on Subsidies and Countervailing Measures
SEZ	special economic zone
SG&A	selling, general and administrative expenses
Timberlink	Timberlink Australia Pty Ltd
US	United States
USDOC	United States Department of Commerce
VAT	value-added tax
Wesbeam	Wesbeam Pty Ltd
WTO	World Trade Organization
YE	year ending

2 FINDINGS AND RECOMMENDATIONS

This report provides the result of the consideration by the Australian Trade Remedies Commission ('the Commission') of an application under section 269TB(1)[1] of the *Customs Act 1901* ('the Act') by the Australian Forest Products Association ('AFPA') and the following members of the Australian structural timber manufacturing industry:

- Associated Kiln Driers Pty Ltd ('AKD')
- Hyne & Son Pty Ltd ('Hyne')
- Onefortyone Wood Products Pty Ltd ('OFO'), and
- Timberlink Australia Pty Ltd ('Timberlink') (collectively 'the applicants')

for the publication of dumping and countervailing duty notices in respect of structural timber (referred to as 'the goods') that have been imported into Australia from the People's Republic of China ('China').

The applicants allege that the Australian industry for structural timber has suffered material injury caused by the goods exported to Australia from China at dumped and subsidised prices.

The legislative framework that underpins the making of an application and the Commission's consideration of an application is contained in Divisions 1 and 2 of Part XVB of the Act.

2.1 Findings

In accordance with section 269TC(1) of the Act, the Commission has examined the application and is satisfied that:

- the application complies with the requirements of section 269TB(4) of the Act (as set out in Chapter 2.2 of this report)
- there is an Australian industry in respect of like goods (as set out in Chapter 2.4 of this report)
- there appear to be reasonable grounds for the publication of dumping and countervailing duty notices in respect of the goods the subject of the application (as set out in Chapters 3, 4, 5 and 6 of this report).

2.2 Decision

Based on the above findings, the Commissioner of the Australian Trade Remedies Commission ('the Commissioner') decides not to reject the application and decides to initiate an investigation to determine whether a dumping and a countervailing duty notice should be published.

The Commissioner further decided that:

- exports to Australia during the investigation period 1 July 2025 to 30 June 2026 be examined for dumping and subsidisation, and
- details of the Australian market from 1 July 2022 be examined for injury analysis purposes.

[1] All legislative references in this report are to the *Customs Act 1901* unless otherwise specified.

3 THE APPLICATION AND AUSTRALIAN INDUSTRY

3.1 Lodgement of the application

3.1.1 Legislative framework

The procedures for lodging an application are set out in section 269TB of the Act.

The procedures and timeframes for the Commissioner's consideration of the application are set out in section 269TC of the Act.

3.1.2 The Commissioner's timeframe

Event	Date	Details
Application lodged and receipted by the Commissioner under sections 269TB(1) and (5) of the Act	30 September 2026	The Commission received an application from the applicants alleging that the Australian industry has suffered material injury caused by the dumped and subsidised goods exported to Australia from China.
	9 October 2026	The Commission notified the applicants that the application contained critical and important deficiencies which, if left unaddressed, would create doubt about the reasonableness of the grounds for the publication of dumping and countervailing duty notices.
Applicants provided further information in support of the application under section 269TC(2A) of the Act	20 October 2026	The applicants provided further information and data in support of their application. This restarted the 20-day period for consideration of the application.
Consideration decision due under section 269TC(1) of the Act	9 November 2026	The Commissioner shall decide whether to reject or not reject the application within 20 days after the applicants provided further information.

Table 1: The Commissioner's timeframe for considering an application

3.2 Compliance with section 269TB(4) of the Act

3.2.1 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner reject an application for a dumping or countervailing duty notice if, among other things, the Commissioner is not satisfied that the application complies with section 269TB(4) of the Act.

3.2.2 Finding

Based on the information submitted by the applicants, the Commission considers that the application complies with section 269TB(4) of the Act.

3.2.3 The Commission's assessment

Table 2 summarises the Commission's assessment of compliance with section 269TB(4) of the Act.

Requirement for the application	Details
Lodged in writing under section 269TB(4)(a) of the Act	The applicants lodged in writing confidential and non-confidential versions of the application. The non-confidential version of the application can be found on the electronic public record on the Commission's website at www.atrc.gov.au.
Lodged in an approved form under section 269TB(4)(b) of the Act	The application is in the approved form (B108) for the purpose of making an application under section 269TB(1) of the Act.
Contains such information as the form requires under section 269TB(4)(c) of the Act	The applicants provided: - a completed declaration; - answers to all questions that were required to be answered by the applicants; *all completed appendices; and* - sufficient detail in the non-confidential version of the application to enable a reasonable understanding of the substance of the information submitted in confidence.
Signed in the manner indicated in the form under section 269TB(4)(d) of the Act	The application was signed in the manner indicated in Form B108 by a representative of the applicants.
Supported by a sufficient part of the Australian industry under section 269TB(4)(e) of the Act and determined in accordance with section 269TB(6) of the Act	As set out in Chapter 2.4 of this report, the Commissioner is satisfied that there is an industry producing like goods in Australia. In their application, the four applicants state that they collectively account for 82% of Australian production of the goods. The remaining 18% is produced by three other Australian manufacturers that support the application. Accordingly, the application is supported by manufacturers accounting for 100% of Australian production of like goods. The Commission has reviewed the information provided and the Commissioner is satisfied that, in accordance with sections 269TB(6)(a) and (b) of the Act, the applicants, which produce like goods in Australia, account for: • more than 50% of the total production of like goods by that proportion of the Australian industry that has expressed either support for, or opposition to, the application, and • not less than 25% of the total production of like goods in Australia. Chapter 2.5.1 discusses Australian manufacturers' production volumes further.
Lodged in the manner approved under section 269SMS for the purposes of section 269TB(4)(f) of the Act	The application was lodged in a manner approved in the Commissioner's instrument made under section 269SMS of the Act, being by email to an address nominated in that instrument.[2]

Table 2: The Commissioner's assessment of compliance with subsection 269TB(4)

[2] Approved Commissioner's Instrument under section 269SMS of the Customs Act 1901, 23 November 2018.

3.3 The goods the subject of the application

3.3.1 The goods

Table 3 below outlines the goods as described in the application.

Full description of the goods, as subject of the application
Structural timber, whether solid-sawn or engineered (Laminated Veneer Lumber), whether or not treated, having a cross-sectional area of less than 150 cm^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
Plywood, glued-laminated timber (glulam), cross-laminated timber (CLT), and prefabricate I-joists are excluded from this application.

Table 3: The goods description

3.3.2 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995*.

Tariff classification		
Tariff code	*Statistical code*	*Description*
4407	WOOD SAWN OR CHIPPED LENGTHWISE, SLICED OR PEELED, WHETHER OR NOT PLANED, SANDED OR END-JOINTED, OF A THICKNESS EXCEEDING 6 mm	
4407.11	**Of pine (*Pinus spp.*)**	
4407.11.9	**Other than planed or sanded**	
4407.11.99	05	Radiata pine treated with waterborne preservatives, having a cross-sectional area of less than 120 cm^2
4407.11.99	06	Radiata pine treated with other than waterborne preservatives, having a cross-sectional area of less than 120 cm^2
4407.11.99	07	Radiata pine, untreated, having a cross-sectional area of less than 120 cm^2

4407.11.99	08	Wood of pine other than radiata pine, having a cross-sectional area of less than 120 cm^2
4407.11.99	13	Radiata pine, treated, having a cross-sectional area of 120 cm^2 or greater but less than 450 cm^2
4407.11.99	14	Radiata pine, untreated, having a cross-sectional area of 120 cm^2 or greater but less than 450 cm^2
4407.11.99	15	Wood of pine, other than radiata pine, having a cross-sectional area of 120 cm^2 or greater but less than 450 cm^2
4407.12	**Of fir (*Abies spp.*) and spruce (*Picea spp.*)**	
4407.12.9	**Other than planed or sanded**	
4407.12.99	18	Having a cross-sectional area of less than 120 cm^2
4407.12.99	19	Having a cross-sectional area of 120 cm^2 or greater but less than 450 cm^2
4412	PLYWOOD, VENEERED PANELS AND SIMILAR LAMINATED WOOD	
4412.4	**Laminated veneered lumber (LVL)**	
4412.41	**With at least one outer ply of tropical wood**	
4412.41.10	21	LVL with at least one outer ply of tropical wood specified in additional note 2 (other than mandio-queira, pau amarelo, quaruba and tauari)
4412.41.90	22	LVL with at least one outer ply of tropical wood—Other
4412.42.00	23	LVL with at least one outer ply of non-coniferous wood
4412.49.00	24	LVL with both outer plies of coniferous wood

Table 4: General tariff classification for the goods

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods the subject of the application. Please refer to the goods description in 2.3.1 for authoritative detail regarding the goods the subject of the application.

3.4 Like goods and the Australian industry

3.4.1 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner reject an application for a dumping or countervailing duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

Like goods are defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4), and 269T(4A) of the Act are used to determine whether the like goods are produced in Australia and whether there is an Australian industry producing like goods.

3.4.2 Finding

The Commissioner is satisfied that there is an Australian industry producing like goods to the goods the subject of the application on the basis that:

- the applicants produce goods that are identical in all respects to, or have characteristics that closely resemble the goods the subject of the application, and
- the goods are wholly manufactured in Australia.

3.4.3 Locally produced like goods

Table 5 summarises the Commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

Overview

The application covers both solid-sawn and engineered structural timber. 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. The Commission understands that LVL is the predominant form of Chinese structural timber in the Australian market.

The Australian industry producing like goods manufactures two structural timber products. The first, LVL, 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 applicants in a range of framing and light-structural end-section sizes.

The Commission considers that Australian-made LVL is identical to imported LVL, while Australian-made MGP has characteristics closely resembling imported LVL. On either basis, the Australian industry produces like goods to the imported goods within the meaning of section 269T of the Act. The unifying characteristic of the goods is their function – timber products that meet, or are suitable for, structural performance thresholds for use in load-bearing construction.

Factor	The applicants' claims	The Commission's assessment
Physical likeness	The like goods and the imported goods are closely resembling each other. 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 and F-grades are a single solid timber section. This is a consequence of the production process and does not alter the physical function the structural member performs.	The information presented in the application indicates that the locally produced and imported goods appear to have similar physical characteristics in terms of shape, dimensions, and appearance. The Commission considers Australian-produced LVL to be physically identical to imported LVL because it is the same engineered timber product, manufactured to the same standard and supplied in comparable structural sections. Australian-produced MGP and F-grade structural timber are not identical to imported LVL because they are solid-sawn; however, both are predominantly softwood, rectangular structural members with comparable dimensions, structural grading and optional preservative treatments.

Factor	The applicants' claims	The Commission's assessment
Commercial likeness	The applicants submit that the imported and locally produced goods compete directly in the Australian market. Both are sold through timber merchants, hardware retailers and frame-and-truss fabricators, are routinely offered as alternatives for the same projects, and are selected by reference to structural properties, span capacity and price and have the same end uses. The applicants state that imported LVL is marketed as a substitute for Australian MGP grades and is entering the market at prices that make it an attractive alternative. Both imported and Australian produced goods 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 grades.	The information in the application indicates that imported structural timber and the locally produced goods are sold through the same distribution channels to the same customer groups, particularly frame-and-truss fabricators, timber and builders' merchants and retailers. LVL and MGP are specified on a common engineering scale by reference to stiffness and associated structural properties. The Commission considers that this supports a finding that the goods compete directly and are commercially substitutable in the Australian market.
Functional likeness	The applicants submit that the imported and locally produced goods perform the same structural functions. Both are used as permanent framing members in wall frames, roof trusses, floor joists and bearers, lintels and other load-bearing applications. Both imported and Australian produced goods are designed to AS 1720.1 and specified against equivalent span tables. A 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 Commission considers that imported structural timber and Australian-produced LVL, MGP and F-grade structural timbers have the same or comparable end uses. The goods may be used interchangeably in residential, commercial and industrial framing applications, including wall frames, roof trusses, floor systems and lintels, subject to the required grade, dimensions and engineering specifications. The Commission is therefore satisfied that the locally produced and imported goods are functionally alike.

Factor	The applicants' claims	The Commission's assessment
Production likeness	The applicants submit that 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 production process notwithstanding.	The Commission considers that Australian-produced LVL and imported LVL have substantially the same production process, while Australian-produced MGP and F-grade timbers are manufactured differently from LVL because they are solid-sawn and stress-graded rather than laminated from veneers. However, production likeness is one factor in the overall assessment and a difference in production process does not, of itself, preclude a finding of like goods. The resulting products share closely resembling physical, commercial and functional characteristics.
Other considerations	The applicants submit that the goods form a single functional structural timber product category. Australian-produced LVL is identical to imported LVL, while Australian-produced MGP and F-grade timber closely resemble the imported goods. The goods are differentiated by form, structural grade, treatment and cross-sectional dimensions, but these characteristics do not alter their direct competitive relationship or common structural purpose.	The application identifies product differences by form, grade, treatment and cross-sectional area. The Commission considers these differences reflect models within the broader structural timber product category and can be addressed through model matching. The application also indicates that imported LVL and Australian-produced structural timber are marketed and distributed in a similar manner and compete within the dominant timber-framing market. No other information before the Commission indicates that differences in species, manufacturing form or grading system prevent the locally produced goods from being considered like goods.
Commission's assessment		
Based on the analysis above, the Commissioner considers that Australian produced structural timber has characteristics that are identical to or closely resemble the goods subject to this application and are, therefore, like goods. The Commission will further examine like goods during the investigation.		

Table 5: Like goods assessment

3.4.4 Manufacture in Australia

Table 6 summarises the Commission's assessment of whether at least one substantial process of manufacture is carried out in Australia and whether the like goods are therefore considered to have been manufactured in Australia.

The applicants' claims
The applicants claim that they manufacture machine-graded pine (MGP)and F-grade structural timber from Australian plantation Pinus species. The production process involves processing logs into timber sections, drying and dressing the timber, and mechanically or visually stress-grading each piece to the applicable structural grade. Finished products are grade-stamped as MGP10, MGP12, MGP15 or an applicable F-grade in accordance with relevant Australian and New Zealand standards. Australian manufacturer supporting the application 'Wesbeam' manufactures LVL in Western Australia. The production process involves rotary-peeling logs into thin veneers, drying and grading the veneers, applying structural adhesive, arranging the veneer grain predominantly in the longitudinal direction, hot-pressing the veneers into billets and sawing the billets to finished dimensions. The finished LVL is characterised and graded in accordance with AS/NZS 4357. Furthermore, the applicants claim that the above manufacturing processes transform logs and veneers into finished structural timber products with defined dimensions and engineering properties for use in load-bearing construction.
The Commission's assessment
Based on the information provided in the application, manufacture of the like goods is carried out in Australia and the locally produced MGP, F-grade structural timber and LVL are manufactured in Australia for the purposes of sections 269T(2) and 269T(3) of the Act. This process takes place at facilities in Australia. The Commission is therefore satisfied the goods are manufactured in Australia, with at least one substantial process in the manufacture of these goods being carried out in Australia.

Table 6: Manufacturing of like goods in Australia

3.5 Australian industry information

Table 7 summarises the Commission's assessment of whether the applicants have provided sufficient information in the application to analyse the performance of the Australian industry.

Have the relevant appendices to the application been completed?		
A1	Australian production	Yes
A2	Australian market	Yes
A3	Sales turnover	Yes
A4	Domestic sales	Yes
A5	Sales of other production	Yes
A6.1	Cost to make and sell (& profit) – Domestic sales	Yes
A6.2	Cost to make and sell (& profit) – Export sales	Yes
A7	Other injury factors	Yes
General administration and accounting information		
History	AKD	AKD is a 100% Australian owned and operated integrated forestry and timber processing company. The business was founded in Colac, Victoria in 1955.
	Hyne	Hyne is one of Australia's largest producers of structural timber products. The business was originally established in 1882 as The National Sawmill.
	OFO	OFO was formed in 2012 following the acquisition of 80,000 hectares of plantation assets from the South Australian Government.

	Timberlink	Timberlink is a leading producer of Australian Radiata Pine timber products sourced from sustainably managed Australian pine plantations.
Ownership	AKD	AKD provided details of its major shareholders, parent entities and associated or affiliated companies in Confidential Attachments A-2.3 to A-2.6.
	Hyne	Hyne provided details of its major shareholders, parent entities and associated or affiliated companies in Confidential Attachments A-2.3 to A-2.6.
	OFO	OFO provided details of its major shareholders, parent entities and associated or affiliated companies in Confidential Attachments A-2.3 to A-2.6.
	Timberlink	Timberlink is owned by investment funds managed by New Forests.
Operations	AKD	AKD's operations comprise: - Six sawmills processing in excess of 2,000,000 m^3 of sawlog per annum, producing over 1,000,000 m^3 of timber products annually (20–25% of Australia's production). - Over 12,000 hectares (30,000 acres) of sustainably grown radiata pine plantations located in Victoria, NSW and South Australia. - A value-add treatment and distribution centre in NSW. - A softwood chip export operation in Geelong. - Multiple treatment facilities.
	Hyne	Hyne Group is a collective of integrated sustainable wood products manufacturers. It has a 1,100,000 m^3 log per year processing capacity and has facilities spanning 9 locations across the east-coast of Australia.
	OFO	OFO manages the full timber supply chain, from sustainable forest growing and harvesting through to log processing and wood product manufacturing. Its operations produce structural timber and other wood products for the construction and manufacturing sectors.
	Timberlink	Timberlink operates two regional large scale timber manufacturing facilities, one in Bell Bay, Tasmania, and the other in Tarpeena, South Australia; with both sites solely processing plantation grown radiata pine sawlogs.
Financial year	AKD	1 July to 30 June
	Hyne	1 January to 31 December
	OFO	1 July to 30 June
	Timberlink	1 July to 30 June
Audited accounts	AKD	AKD provided audited financial statements for the 2 most recently completed financial years (2024-2025).
	Hyne	Hyne provided audited financial statements for the 2 most recently completed financial years (2024-2025).
	OFO	OFO provided audited financial statements for the 2 most recently completed financial years (2024-2025).
	Timberlink	Timberlink provided audited financial statements for the 2 most recently completed financial years (2024-2025).

<table>
<tr><td rowspan="4">Annual reports</td><td>AKD</td><td colspan="2">AKD provided FY2024 and FY2025 audited reports, June 2025 and June 2026 Board Reports, and a chart of accounts.</td></tr>
<tr><td>Hyne</td><td colspan="2">Hyne provided FY2024 and FY2025 audited reports, January–June 2026 management reports, and the 2025 trial balance.</td></tr>
<tr><td>OFO</td><td colspan="2">OFO provided FY2024 and FY2025 audited reports and supporting monthly financial data and a chart of accounts.</td></tr>
<tr><td>Timberlink</td><td colspan="2">Timberlink provided FY2024 and FY2025 audited reports, June 2026 management accounts, and a chart of accounts.</td></tr>
<tr><td colspan="2">Production and sales information</td><td>Cost to make and sell information</td><td>Other injury factors</td></tr>
<tr><td colspan="2">The Commission considers that there are no material concerns, subject to the Commission’s usual verification practices.</td><td>The Commission considers that there are no material concerns, subject to the Commission’s usual verification practices.</td><td>The Commission considers that there are no material concerns, subject to the Commission’s usual verification practices.</td></tr>
<tr><td colspan="4">The Commission’s assessment</td></tr>
<tr><td colspan="4">Based on the information in the application, the Commissioner is satisfied that there is sufficient information provided in the application to analyse the performance of the Australian industry between 1 July 2022 and 30 June 2026, being the period proposed in the application and the period the Commission has examined to assess applicant’s claims for the purposes of this report.</td></tr>
</table>

Table 7: Australian industry information

3.5.1 Market size

The applicant’s estimation

In their application, the applicants submitted that structural timber is primarily used in residential construction for wall frames and roof trusses. Structural timber is also used in floor systems, lintels and other load-bearing applications in residential, commercial and industrial construction.

The applicants used their own sales data, estimates of sales by three other Australian producers and import information sourced from Trade Data International imported under the tariff codes listed in Chapter 2.3.2 of this report to estimate the Australian market for structural timber.

The applicants completed Confidential Appendix A2 to the application using the above information.

The Commission’s assessment

The Commission has examined the method used by the applicants to estimate the total Australian market for the goods and is satisfied the applicants’ approach is reasonable.

The Commission is satisfied that the tariff classifications identified by the applicants include imports of the goods. However, these tariff classifications likely include many other products not covered by the goods description.

To estimate the volume of imports of the goods into Australia, the Commission has used data extracted from the Australian Border Force (ABF) import database in respect of consignments declared under the identified tariff classifications. As multiple product types are covered by the tariff classifications, the Commission filtered data to exclude goods that do not fit the goods description. The Commission has compared the applicants estimate of import volumes with its own calculations and found that the estimate of the volume of imports is reasonable.

The Commission has relied on the applicant's methodology to estimate the total Australian market in its analysis. The Commission used ABF data to compare the proportion of that market that is made up of imports as this enables a more granular analysis of import data. The Commission has also relied on the applicants own sales data to calculate its share of the Australian market, with the remainder making up the supply from other Australian industry members.

In line with the above, the size of the Australian market for the period 1 July 2022 to 30 June 2026 is illustrated in Figure 1 below.

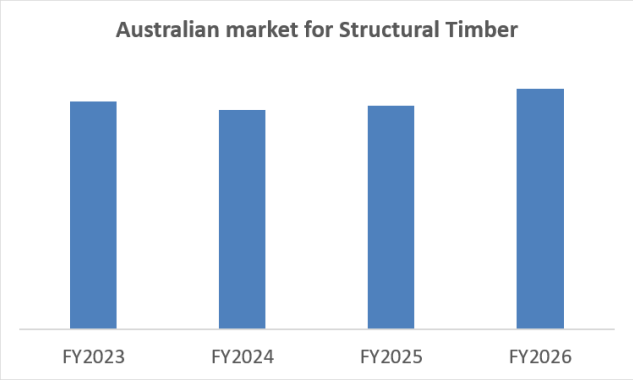


Figure 1: Australian market for Structural Timber

Figure 1 shows that the Australian market volume declined slightly in FY2024 and increased marginally in FY2025, before rising in FY2026 to its highest level during the injury analysis period. In FY 2026, the market for structural timber was approximately 1.78 million cubic meters (m^3). The Commission will further examine the size of the Australian market during the investigation.

The Commission's analysis of the size of the Australian market for the goods is at **Confidential Attachment 1**.

4 REASONABLE GROUNDS – DUMPING

4.1 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a dumping duty notice.

Under section 269TG of the Act, one of the matters that the Minister for Industry and Innovation and Minister for Science (the Minister) must be satisfied of in order to publish a dumping duty notice is that the export price of goods that have been exported to Australia is less than the normal value of those goods, i.e. that dumping has taken place (to an extent that is not negligible). This issue is considered in the following chapters.

4.2 Findings

Pursuant to section 269TC(1)(c) of the Act, the Commission considers that there appear to be reasonable grounds to support the claims that:

- the goods have been exported to Australia from China at dumped prices
- the estimated dumping margin for exports from China is greater than 2% and therefore is not negligible, and
- the estimated volume of goods from China that appear to have been dumped is greater than 3% of the total Australian import volume of goods in the period 1 July 2025 to 30 June 2026 and therefore is not negligible.

The Commission's assessment of dumping margin calculations is at **Confidential Attachment 2**.

4.3 Export price

4.3.1 Legislative framework

Export price is determined by applying the requirements in section 269TAB of the Act. This includes a consideration of whether the purchase or sale of goods was an arm's length transaction under section 269TAA of the Act.

4.3.2 The Applicant's estimate

Table 8 below summarises the approach taken by the applicants to estimate export prices and the evidence relied upon.

Country	Basis of estimate	Details
China.	The applicants estimated FOB export price with data sourced from *TradeData International*	The applicants calculated quarterly average unit FOB export prices (AUD/m^3) for the investigation period from 1 July 2025 to 30 June 2026. The applicants considered the resulting FOB price. The applicants claim that researched export price data for China is considered adequate for the purposes of this application.

Table 8: The applicants estimate of export prices from China

4.3.3 The Commission's assessment

The Commission accepts that the applicants can only provide information in its application that is reasonably available to them. The Commissioner considers that the evidence provided is sufficient for the purpose of exercising power under section 269TC of the Act, and the assumptions and methodology used is appropriate for the evidence available.

The Commission examined the export price calculations and supporting evidence provided by the applicants in their application. To assess the reliability of the export prices estimated by the applicants, the Commission calculated export prices for China using data obtained from the ABF import database and other information available to the Commission. The Commission found that the export prices estimated by the applicants for China were reasonable.

The applicants' calculation of export price and the Commission's comparison is at **Confidential Attachment 3**.

4.4 Normal Value

4.4.1 Legislative framework

Normal value is determined by applying the requirements in section 269TAC of the Act taking into account whether:

- the purchase or sale of the goods was an arm's length transaction under section 269TAA of the Act
- the goods were sold in the ordinary course of trade under section 269TAAD of the Act
- there has been an absence or low volume of sales of like goods in the country of export, and
- whether the situation in the market of the country of export is such that sales in that country are not suitable for determining normal value under section 269TAC(1) of the Act.

4.4.2 The Applicants estimate

Table 9 below summarises the approach taken by the applicants to estimate normal values and the evidence relied upon.

Country	Basis of estimate	Details
China	Constructed normal value under section 269TAC(2)(c) of the Act.	The applicants claim that domestic selling prices of structural timber in China are not suitable for determining normal value because a particular market situation exists. The applicants have therefore constructed normal values under section 269TAC(2)(c) of the Act using their own cost to make (CTM) information. - CTM - The applicants have relied on their own CTM for MGP structural timber. The applicants estimated that the cost to manufacture Australian LVL is higher than Australian MGP. Therefore, the normal value estimated by the applicants is conservative. - Labour costs – The Australian direct labour component of the MGP CTM has been adjusted to reflect Chinese manufacturing labour costs. - SG&A – The applicants have applied an adjustment of 16.1% to their own CTM, based on the EU's findings in *Implementing Regulation (EU) 2025/1139*. - Profit – A profit rate of 8.4% (expressed as a percentage of COGS) has been adopted. This rate was derived from the audited financial statements of five plywood producers in Türkiye and is based on the EU's findings in *Implementing Regulation (EU) 2025/1139*.

Country	Basis of estimate	Details
		Adjustments The applicants have constructed normal values at an ex-works (EXW) level. The applicants identified that adjustments may be required for differences including domestic and export credit terms and packing but did not make these adjustments because relevant information for Chinese exporters was not available.

Table 9: Applicants estimate of normal value

4.4.3 The Commission's assessment

The Commissioner must determine whether there appear to be reasonable grounds for supporting a claim that the goods have been exported at dumped prices. The Commissioner is therefore required to assess whether the estimated normal values provided in the application are reasonable.

For an estimated constructed normal value, as in the present application, the Commission will assess whether the costs used by the applicants to construct normal value reasonably reflect the costs of production in China. In making this assessment, the Commission notes that applicants had access to limited information to estimate costs in the country of export. The Commission considers it reasonable for applicants to use their own costs where those costs are adjusted, where reasonable and practicable, to reflect conditions in the country of export.

In certain circumstances, the Commission will have access to information which will enable it to assess the reasonableness of the information relied on by the applicant, on a comparison basis. The Commission may also have other sources of information that are directly relevant to the application, which the Commission may prefer to use in making its own assessment, particularly if that information is considered more relevant and reliable than the information relied upon by the applicant.

Based on the information currently available, the Commissioner considers that applicants' methodology and the inputs used to construct normal value are reasonable.

Particular market situation claims

The applicants claim that sales of structural timber in China are not suitable for determining normal value because a particular market situation exists in the Chinese market. The application specifically refers to the GOC's influence over the forestry and wood-products sector through state ownership, industrial planning, preferential finance and subsidies, and identifies alleged distortions affecting key inputs including timber logs, structural adhesives, energy, labour and land-use rights.

Furthermore, the applicants referred to anti-dumping findings by the European Commission (EC) and the United States Department of Commerce (USDOC) concerning hardwood plywood exported from China. The Commission notes that while 'hardwood plywood' is excluded from this application, it is a relevant consideration given that it is a related wood product which uses similar raw materials and is part of the 'Chinese forestry and wood-processing sector'. The findings relied upon concern government influence and input-cost distortions that may also be relevant to producers of the goods subject to this application.

The application further identifies Chinese industrial policies applying to the forestry and wood-products sector, the role of state-owned and state-affiliated enterprises, and subsidy programs available to wood-products producers. The applicants submit that these interventions materially affect the cost of production and domestic price formation for structural timber in China.

Based on the information currently available, the Commissioner considers it reasonable to accept, for the purposes of considering the application, the applicants' claim that a particular market situation may exist in the Chinese market for structural timber. During the investigation, the Commission will seek information from exporters and the GOC to independently assess the claim and whether domestic sales in China are suitable for determining normal value under section 269TAC(1) of the Act.

Normal value

The Commission considers that the input costs used in the applicants constructed normal value calculations are reasonable.

Cost to make

The applicants used their Australian MGP cost to make (CTM) data as the basis for estimating the cost of producing structural timber in China. The applicants state that the cost of manufacturing LVL is higher than the cost of manufacturing MGP but retained the lower MGP cost in their calculations. The Commission considers that this provides a conservative basis for estimating the cost to make the goods.

The Commission also considers that the applicants' downward adjustment to Australian direct labour costs to reflect Chinese manufacturing labour costs is a reasonable approach based on the information reasonably available to the applicants.

Selling, general and administrative costs

The applicants applied selling, general and administrative (SG&A) costs of 16.1% to the adjusted CTM, based on the EC's investigation into hardwood plywood from China. At this stage, the Commission does not have verified information concerning the SG&A costs incurred by Chinese producers of structural timber. Given the absence of such information and the relationship between hardwood plywood and structural timber as products of the wood-processing sector, the Commission considers this benchmark reasonable for the purposes of this report. The Commission will further examine SG&A costs during the investigation.

Profit

The applicants applied a profit of 8.4% of the cost of goods sold, being the profit derived from the audited financial statements of five plywood producers in Türkiye relied upon by the EC in *Implementing Regulation (EU) 2025/1139*. At this stage, the Commission does not have information on profits from the production and sale of structural timber in the Chinese domestic market. The Commission considers the profit benchmark used by the applicants is reasonable for the purposes of this report because it is based on producers of a comparable wood product operating in a market economy.

The Commission will further examine the profit relevant to the calculation of normal value during the investigation.

Adjustments to normal value

The Commission's general practice is to compare export prices and normal values at a Free on Board (FOB) level. Comparing an export price and normal value on equal delivery terms provides an accurate estimate of a dumping margin. However, the applicants have access to limited information to adjust the EXW normal value it has calculated to ensure a fair comparison with FOB export prices. In the Commission's consideration of previous applications where limited or no information has been provided to enable a fair comparison, the Commission has used verified information from earlier cases examining similar goods. This approach cannot be taken in the present application, as the Commission has not examined structural timber or similar wood products within the last 10 years.

The Commission therefore compared the estimated FOB price with the constructed EXW normal value.

The Commission notes that this approach results in a conservative estimate of the dumping margin, as any upwards adjustment to the normal value to account for the cost of taking the goods from EXW to FOB would have an effect of increasing the dumping margin.

The applicants' calculation of normal value forms part of **Confidential Attachment 2**.

4.5 Dumping margins

4.5.1 Legislative framework

Dumping margins are determined in accordance with the requirements of section 269TACB of the Act.

If in an investigation the Commissioner is satisfied that there has been dumping by the exporter but dumping margins and dumping volumes are negligible, the Commissioner must terminate the investigation. Whether the dumping margins and dumping volumes are negligible is assessed under section 269TDA of the Act

4.5.2 The Commission's assessment of the applicants dumping claims

The applicants estimated a dumping margin of between 40.12% and 143.00% based on each of the four quarters of the period of investigation. This covered a period of July 2025 to June 2026 and was based on the export prices and normal values outlined in Chapters 3.3 and 3.4 of this report.

The Commission has reviewed the applicants' dumping margin calculations and has undertaken its own calculations using data provided by the applicants in their application, ABF import data and other relevant data available to the Commission. The Commission finds that there appear to be reasonable grounds to support the applicants' claims that dumping has occurred, and the dumping margin is not negligible under section 269TDA(1) of the Act.

The Commission's assessment of dumping margins is at **Confidential Attachment 2**.

4.5.3 Volume of dumped goods

Sections 269TDA(3) and (4) of the Act provide that an investigation into dumping must be terminated if the total volume of goods exported to Australia over the relevant investigation period that may be dumped is negligible. A negligible volume of goods is less than 3% of the total Australian import volume.

The Commission's analysis of the ABF import database shows that the level of imports from China is greater than 3% of the total Australian import volume during the investigation period. The Commissioner is satisfied that there appear to be reasonable grounds to consider that the volume of dumped goods from China is above negligible levels.

The Commission's assessment of import volumes is at **Confidential Attachment 1**.

5 REASONABLE GROUNDS – SUBSIDISATION

5.1 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner reject an application for a countervailing duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a countervailing duty notice.

Under section 269TJ of the Act, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible). This issue is considered in the following Chapters.

5.2 Findings

Pursuant to section 269TC(1)(c) of the Act, the Commission considers that there appear to be reasonable grounds to support the claims that:

- the goods exported to Australia from China have been subsidised
- the estimated subsidy margin for exports from China is greater than 2% and therefore is not negligible[3]
- the estimated volume of goods from China that appear to have been subsidised is greater than 4% of the total Australian import volume of goods and therefore is not negligible.[4]

5.3 Consultation with the Government of China

In accordance with section 269TB(2C) of the Act, the Commission invited the GOC for consultations during the pre-initiation phase. The purpose of the consultations was to provide an opportunity for the GOC to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian industry, with the aim of arriving at a mutually agreed solution.

To assist in determining whether it wished to undertake consultations and what it would like to consult on, the GOC was provided with a non-confidential version of the application.

The Commission did not receive a response from the GOC.

5.4 Subsidy programs

5.4.1 Legislative framework

The determination as to whether there is a countervailable subsidy is made in accordance with section 269T(1), section 269T(2AA), section 269TACC and section 269TAAC of the Act.

5.4.2 The applicants' claims

Table 10 summarises the claims by the applicants that the goods exported to Australia have benefited from countervailable subsidies and the evidence relied upon.

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[3] China is a developing country and accordingly the threshold for determining whether countervailable subsidies are negligible is 2% (section 269TDA(16) of the Act).

[4] The threshold for determining whether countervailable volumes are negligible for a developing country is 4% (section 269TDA(8) of the Act).

Country	Basis of claims	Summary of claims
China	The applicants relied primarily on findings by the USDOC in: - the preliminary countervailing duty determination in *Hardwood and Decorative Plywood from China*, dated 29 December 2025; and - the countervailing duty order in *Certain Hardwood Plywood Products from China*, in effect since 2018, and subsequent administrative reviews, most recently the 2021–2022 review published in May 2025. The applicants claim that structural timber is produced within the same Chinese forestry and wood-processing sector as hardwood plywood and that the programs identified in those proceedings may therefore apply to Chinese producers and exporters of the goods.	The applicants claim that Chinese producers and exporters of structural timber have received, and continue to receive, countervailable subsidies provided by the GOC at central, provincial and local levels. The alleged programs are divided into the following 4 categories: *Category 1: Preferential lending* - Policy loans to the Chinese structural timber industry - Preferential loans for state-owned enterprises - Northeast Revitalization Program loans and interest subsidies *Category 2: Grants and direct payments* - Export assistance grants and export interest subsidies - Interest loan subsidies for the forestry industry; subsidies for development of "Famous Brands" and China World Top Brands - Regional and provincial grant programs *Category 3: Income tax concessions* - Income tax reductions for high and new technology enterprises (HNTE) and related concessions *Category 4: Less than adequate remuneration (LTAR)* - Provision of electricity for LTAR - Provision of timber for LTAR - Provision of land-use rights for LTAR - Provision of water for LTAR The applicants claim that these programs involve financial contributions by government or public bodies, confer benefits on recipients and are specific to enterprises, industries, regions or export activities.

Table 10: Summary of subsidy claims

5.4.3 The Commission's assessment

In exercising the power conferred by section 269TC(1) of the Act, the Commissioner assessed the evidence relied upon by the applicants in support of their claims concerning countervailable subsidies.

The applicants relied primarily on the USDOC's preliminary findings concerning countervailable subsidies provided to Chinese producers of hardwood plywood. Although hardwood plywood is not the goods the subject of the application, the applicants submitted that it is produced within the same forestry and wood-processing sector and may benefit from similar government support programs. Accordingly, the Commission considers those findings relevant to its assessment of producers and exporters of the goods.

Reasonable grounds that there has been subsidisation

The Commission considers that the application contains sufficient evidence that Chinese exporters of the goods are likely beneficiaries of countervailable subsidies. The Commission also had regard to other relevant information, including findings made by the USDOC in:

- the preliminary countervailing duty (CVD) determination in *Hardwood and Decorative Plywood from the People's Republic of China* (C-570-212, 29 December 2025) (the US CVD plywood preliminary findings),[5] 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).[6]

The Commission noted that the structural timber products are derived from the same Chinese wood-processing industry as hardwood plywood. The applicants submit that each alleged subsidy program identified by the USDOC 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.

During the investigation, the Commission will seek information from exporters and the GOC to assess the alleged subsidy programs and determine the appropriate benchmarks. The Commission will also assess the extent to which Chinese exporters utilised countervailable subsidy programs for the production or export of the goods.

The list of subsidy programs for investigation and a summary of the Commission's analysis is at **Non-confidential Appendix 1**.

The Commission's assessment of countervailable subsidies is in **Confidential Attachment 4**.

5.5 Amount of countervailable subsidy

5.5.1 Legislative framework

Subsidy margins are determined under section 269TACD of the Act.

The amount of the countervailable subsidisation and the volume of subsidised goods cannot be negligible. Whether the countervailable subsidisation and the volume of subsidised goods are negligible is assessed under section 269TDA of the Act.

5.5.2 The Commission's assessment

In their application, the applicants have not provided an estimated amount of countervailable subsidy received overall, or subsidy margins for the individual programs it identified. Under Article 11.2(b) of the SCM Agreement, unlike the existence of a subsidy, an application should include sufficient evidence of the existence of the amount of a subsidy, only 'if possible'.

Based on the information provided in the application, the Commission has assessed it was not possible for the applicant to determine the amount of the subsidies. This is because the applicants did not have access to the requisite data to provide the Commission with this estimated amount, as it is commercially sensitive or not publicly available. The Commission notes that Article 11.2 states that 'simple assertion,

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[55] Non-Confidential Attachment C-1.1. refers

[6] 80 Non-Confidential Attachment C-1.2. refers

unsubstantiated by relevant evidence cannot be considered sufficient' and the application shall contain 'such information is *reasonably available* to the applicant on the following… (iii) evidence with regard to the existence, amount and nature of the subsidy in question.'

Accordingly, the Commission is satisfied that the estimated amount of countervailable subsidy cannot be reasonably provided in support of the application. The Commission considers that the application still contains sufficient information to reasonably support the assertions made in the application and will conduct further investigation in relation to these matters. The Commission does not consider that the absence of an estimated amount of countervailable subsidy received overall affects the acceptance of the application for investigation.

5.5.3 Volume of subsidised goods

Sections 269TDA(7) and (8) of the Act provide that an investigation into whether there are countervailable subsidies must be terminated if the total volume of goods exported to Australia over the relevant investigation period that may be subsidised is negligible. A negligible volume of goods is less than 4% of the total Australian import volume.

Using the method set out in Chapter 2.5.1 of this report, the Commission has estimated the volumes of goods exported from China.

Based on the Commission's assessment, it is satisfied that there appear to be reasonable grounds to consider that the volume of subsidised goods is above negligible levels for China. The Commission's assessment of import volumes is at **Confidential Attachment 1**.

6 REASONABLE GROUNDS – INJURY TO THE AUSTRALIAN INDUSTRY

6.1 Legislative framework

Under sections 269TG and 269TJ of the Act, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice and a countervailing duty notice is that the Australian industry has experienced material injury. This issue is considered in the following chapters.

The claimed forms of injury include loss of market share, price depression, price suppression, loss of profits, reduced profitability and other relevant injury factors identified in the application.

6.2 Findings

Pursuant to section 269TC(1)(c) of the Act, having regard to the matters contained in the application, and to other information considered relevant, the Commission considers that there appear to be reasonable grounds to support the claims that the Australian industry has experienced injury in the form of:

- price suppression
- price depression
- loss of profits
- loss of profitability
- revenue foregone
- decline in asset values
- reduced capital expenditure
- reduced research and development expenditure
- reduced return on investment
- reduced capacity and capacity utilisation
- reduced employment, and
- reduced productivity.

6.3 The applicants claim

The applicants claim that the Australian structural timber industry has been injured through:

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

The applicants claim that they suffered material injury because of dumped and subsidised imports of the goods from China during the injury analysis and investigation period (i.e. from 1 July 2022 to 30 June 2026).

6.4 Approach to injury analysis

6.4.1 Legislative framework

The matters that may be considered in determining whether the industry has suffered material injury are set out in section 269TAE of the Act.

6.4.2 The Commission's approach

The Commission has analysed the economic condition of the Australian structural timber industry and assessed whether there appear to be reasonable grounds to support the applicants claim that the industry has suffered material injury. The Commission has relied on information provided in the application and other relevant information available to it. The analysis in this Chapter is based on consolidated information provided in the application by AKD, Hyne, OFO and Timberlink, which together account for approximately 82% of Australian production of like goods

For the purposes of assessing injury, the Commission has examined the period between 1 July 2022 and 30 June 2026 (the injury analysis period).

The Commission's assessment of the economic condition of the Australian industry is at **Confidential Attachment 1**.

6.5 Volume effects

The applicants claim that the Australian industry suffered injury in the form of lost sales volume and market share. The applicants claim that, although the Australian market expanded over the injury analysis period, imports from China increased at a substantially greater rate than both market growth and Australian industry sales. The applicants further submit that the increase in imports from China displaced sales that the Australian industry would otherwise have made.

The Commission noted that, as imports of structural timber from China continued to increase in a growing market, the Australian industry lost sales opportunities it might otherwise have secured.

6.5.1 Findings

The Commissioner considers that there appear to be reasonable grounds to support the claim that, absent imports from China, the Australian industry would have increased its sales volume and market share.

6.5.2 Sales volume

Figure 2 shows the Australian industry's sales volume over the injury analysis period.

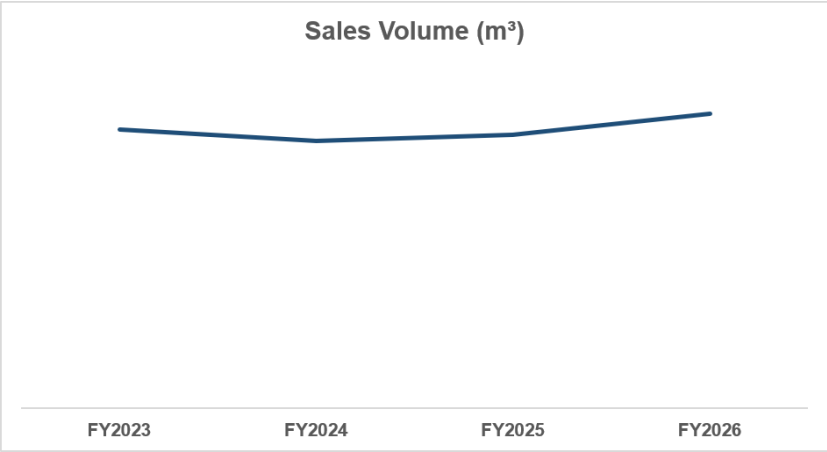


Figure 2: Australian industry sales volume over the injury analysis period

Figure 2 shows that the Australian industry's sales volume declined in FY2024, increased slightly in FY2025 and continued to rise in FY2026

6.5.3 Market share

Figure 3 shows the relative market share of the Australian industry, imports of like goods from China and imports from all other countries over the injury analysis period.

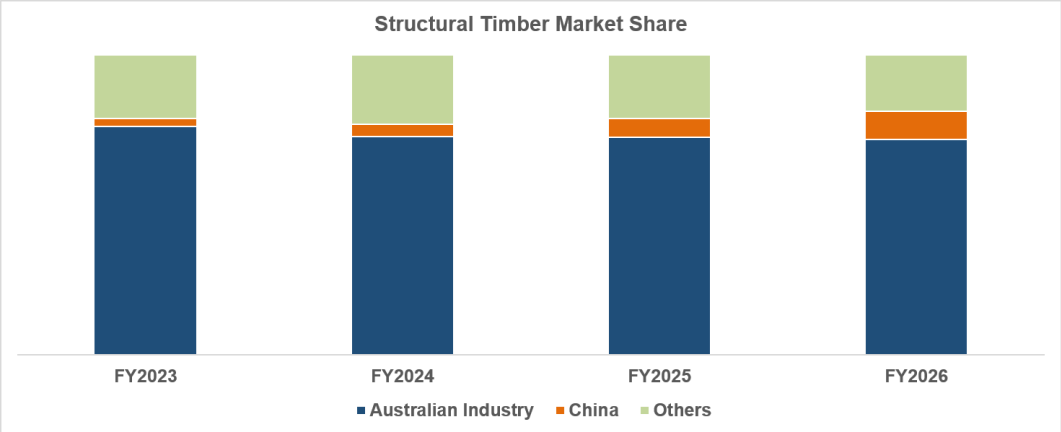


Figure 3: Relative market share of the Australian industry and import sources (%)

Figure 3 shows that the Australian industry's market share started to decline from FY2023 and continued to fall throughout the injury analysis period. Over the same period, the market share of imports from China increased, displacing both the Australian industry's share and that of imports from other countries.

6.5.4 Production volume

Figure 4 shows the Australian industry's production volume over the injury analysis period

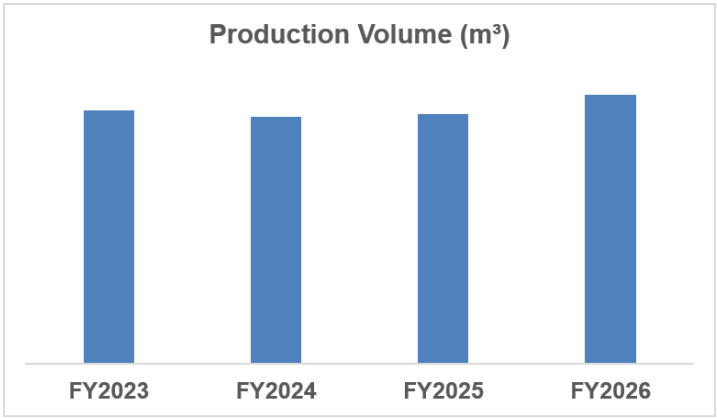


Figure 4: Australian industry production volume

Figure 4 shows that the Australian industry's production volume declined slightly in FY2024, increased marginally in FY2025 and rose further in FY2026.

6.5.5 Conclusion – volume effects

Based on the analysis outlined above, the Commissioner is satisfied that there appear to be reasonable grounds to support the applicants' injury claims in the form of reduced market share. The Commission noted that, as imports of structural timber from China continued to increase in a growing market, the Australian industry lost sales opportunities it might otherwise have secured.

6.6 Price effects

The applicants claim that low-priced imports from China caused price depression and price suppression.

6.6.1 Findings

The Commissioner considers that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of price depression and price suppression.

6.6.2 Analysis of price depression and price suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

The applicants allege that they suffered price depression and price suppression due to price undercutting by dumped and subsidised imports from China.

Figure 5 shows unit price and unit cost to make and sell (CTMS) over the injury analysis period.

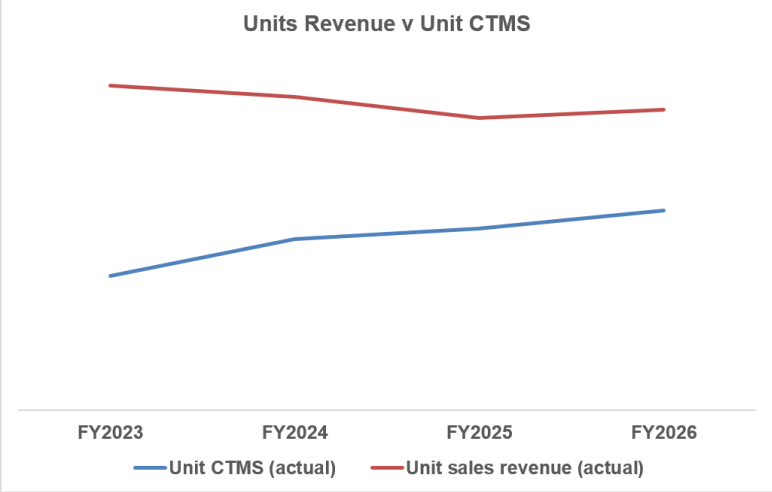


Figure 5: Unit revenue and unit CTMS over the injury analysis period

Figure 5 shows that unit CTMS increased each year during the injury analysis period, with the sharpest rise occurring in FY2024. Unit sales revenue declined between FY2024 and FY2025 before increasing slightly in FY2026.

Figure 6 illustrates quarterly analysis of unit price and unit costs over the investigation period.

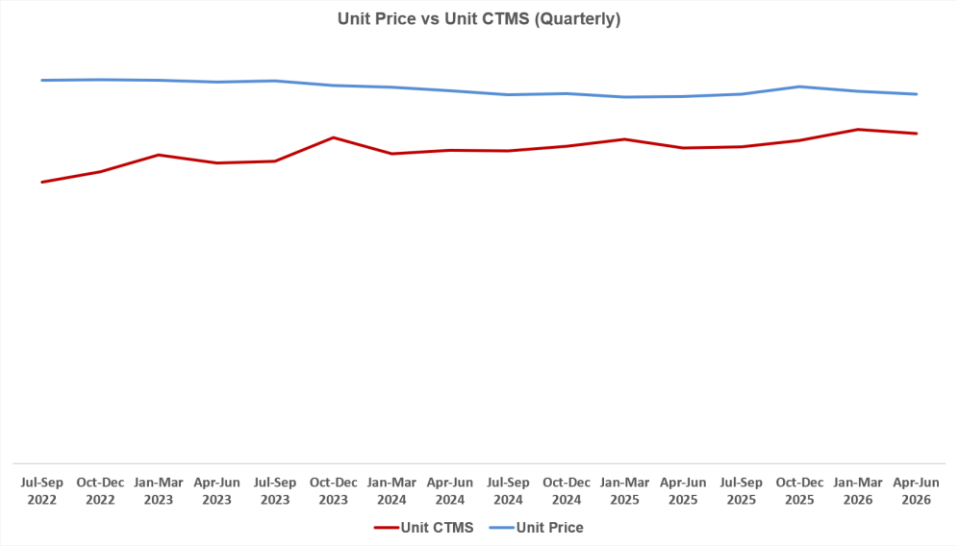


Figure 6: Quarterly unit revenue and unit CTMS over the investigation period

Figure 6 shows some quarterly fluctuations in unit price and unit CTMS, however the overall trend further supports the Australian industry's claim of a narrowing gap between unit price and unit CTMS. This suggests that the Australian industry suffered injury in the form of price depression and price suppression during the proposed investigation period.

6.6.3 Conclusion – price effects

Based on the analysis outlined above, the Commissioner is satisfied that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of price depression and price suppression.

6.7 Profit and profitability effects

The applicants claim injury in the form of loss of profits and reduced profitability.

6.7.1 Findings

The Commissioner considers that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of loss of profits and reduced profitability during the injury analysis period.

6.7.2 Profit and profitability effects

The applicants claim that declining selling prices, rising unit costs and foregone sales volumes reduced unit and total profit, resulting in injury in the form of loss of profits and reduced profitability.

Figure 7 illustrates the applicants unit profit and profitability.

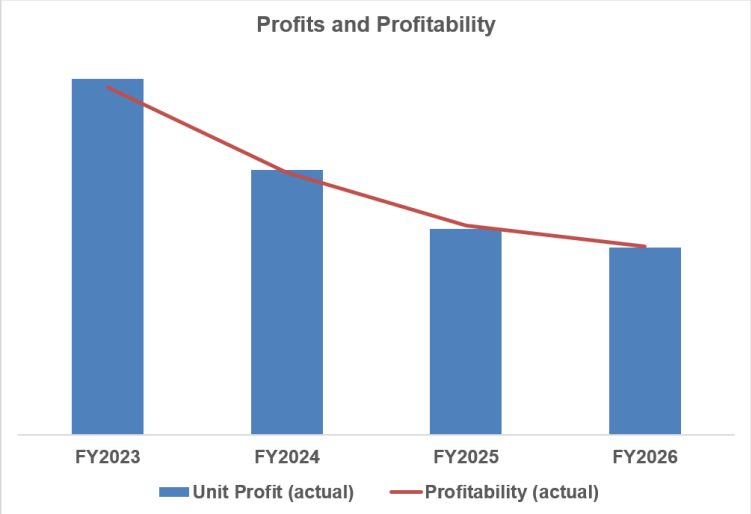


Figure 7: Unit profit and profitability over the injury analysis period

Figure 7 shows that the Australian industry's unit profit declined each year during the injury analysis period, falling sharply in FY2024 and continuing to decrease thereafter.

6.8 Other injury factors

As part of their application, the applicants provided the Commission with financial data demonstrating other injury factors.

The applicants claimed that they have also suffered injury in the form of:

- decline in asset values
- lower revenue
- reduced capital investment
- reduced Research & development
- reduced return on investment
- reduced capital utilisation
- decline in employment
- reduced productivity.

6.8.1 Findings

The Commissioner considers that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of:

- decline in asset values
- lower revenue
- reduced capital investment
- reduced Research & development
- reduced return on investment
- reduced capital utilisation
- decline in employment
- reduced productivity.

6.8.2 Other injury factors

The indexed tables below present each applicant's other injury factors separately for the injury analysis period. To protect commercially sensitive information, the applicants are not identified.

Applicant A	FY2023	FY2024	FY2025	FY2026
Capital investment	100	75.81	81.61	52.87
Return on investment	100	70.12	44.53	78.21
Capacity utilisation	100	76.93	73.32	69.69
Employment	100	94.76	95.27	99.72
Productivity	100	94.29	95.45	97.19

Table 11: Applicant A – Other injury factors

Table 11 indicates applicant A's capital investment, return on investment (ROI), Capacity utilisation, employment and productivity generally declined during the injury analysis period.

Applicant B	FY2023	FY2024	FY2025	FY2026
Capital investment	100	61.79	8.74	6.08
Return on investment	100	60.30	39.62	38.26

Table 12: Applicant B – Other injury factors

Table 12 indicates applicant B's capital investment and ROI sharply declined during the injury analysis period.

Applicant C	FY2023	FY2024	FY2025	FY2026
Assets	100	92.25	85.52	82.33
Capital investment	100	85.65	50.22	50.67
Research & development	100	18.86	45.14	36.00
Return on investment	100	67.39	20.37	40.49
Capacity utilisation	100	95.63	81.06	92.05
Employment	100	99.48	94.61	89.86

Table 13: Applicant C – Other injury factors

Table 13 indicates applicant C's Assets, Capital investment, ROI, research and development, capacity utilisation and employment declined during the injury analysis period.

Applicant D	FY2023	FY2024	FY2025	FY2026
Revenue	100	89.78	88.20	88.84
Return on investment	100	85.72	75.86	57.80
Capacity	100	100.03	96.31	97.49
Capacity utilisation	100	89.51	89.16	84.64
Employment	100	102.92	94.57	96.43
Productivity	100	86.97	94.28	87.77

Table 14: Applicant D – Other injury factors

Table 14 indicates applicant D's revenue, ROI, capacity, capacity utilisation, employment and productivity generally declined during the injury analysis period.

7 REASONABLE GROUNDS – CAUSATION FACTORS

7.1 Legislative framework

Under sections 269TG and 269TJ of the Act, one of the matters of which the Minister must be satisfied in order to publish a dumping duty notice and a countervailing duty notice is that the material injury suffered by the Australian industry was caused by dumping and subsidisation. This issue is considered in the following chapters of this report. Matters that may be considered in determining whether the Australian industry has suffered material injury caused by dumped or subsidised goods are set out in section 269TAE of the Act.

7.2 Findings

Having regard to the matters contained in the application and to other information considered relevant, the Commission considers whether there appear to be reasonable grounds to support the applicants claims that the Australian structural timber industry has suffered injury caused by dumping and subsidisation and that the injury is material.

7.3 The Applicants claims

Table 15 below summarises the causation claims in the application.

Injury caused by dumping and subsidisation
Volume effects • The applicants claim there is a direct correlation between the substantial increase in the goods imported from China and the Australian industry's loss of market share and foregone sales volume. • The application includes several supported examples showing that the applicants negotiated with customers and reduced prices to secure sales against lower-priced imports from China. **Price effects** • The applicants claim that they have suffered material injury in the form of price depression and price suppression as demonstrated by falling sale prices and the inability of the applicants to maintain or increase prices sufficiently to cover increases in costs. The applicant responded to the presence of imports of the allegedly dumped and subsidised goods by suppressing its price increases, particularly during the proposed investigation period. Absent dumped and subsidised imports from China, the applicants claim that it would have achieved prices indicative of a level playing field in the Australian market. • The application provided several examples of direct price undercutting, price depression and price suppression to compete with Chinese imports. **Profit and profitability** • The applicants provided examples where they directly compete on price to maintain their production volumes. Therefore, the Australian industry's profits and profitability are affected by factors impacting its ability to raise prices sufficiently to cover costs, leading to price suppression and price depression caused by dumped and subsidised imports from China. • The ongoing prevalence of price suppression observed during the injury analysis period impacted negatively on the profits and profitability of the Australian industry. The applicants consider that their unit revenue would have improved if the price suppression and depression were not occurring. The applicants claim that they therefore suffered injury in the form of reduced profits and profitability and that this injury was caused by sales of structural timbers (LVL in particular) exported from China at dumped and subsidised prices, and that the injury caused by these imports is material.

Injury caused by other factors
The application did not identify any factor other than dumped and subsidised goods from China causing injury to the Australian Industry.

Table 15: Applicants injury and causation claims

7.4 The Commission's assessment

The Commission considered the information provided in the application in conjunction with information obtained from the ABF import database and other relevant information, as specified in this report, in assessing the applicants' causation and material injury claims. Chapter 6 of this report considers grounds of injury claimed in the application in the context of causation. The Commission considers materiality of injury caused by dumped and subsidised goods in Chapter 6.4.6 of this report.

7.4.1 Dumping margin and amount of countervailable subsidy

Under section 269TAE(1)(aa) of the Act, the Minister may have regard to the size of the dumping margins worked out in respect of the goods exported to Australia. As set out in Chapter 3.5 of this report, the Commissioner is satisfied that there appear to be reasonable grounds for concluding that the goods exported from China were dumped above negligible levels.

Under section 269TAE(1)(ab) of the Act, the Minister may have regard to the particulars of any countervailable subsidy received in respect of the goods exported to Australia. As set out in Chapter 4.5 of this report, the Commission considers that there are reasonable grounds for concluding that the amount of countervailable subsidy received in respect of the goods exported from China is greater than 2%.

7.4.2 Volume effects

As discussed in Chapter 5.5 of this report, imports of structural timber from China increased as the Australian market grew, while the Australian industry lost sales opportunities it might otherwise have secured. Demand and import volumes from China increased over the same period, and Chinese goods were the largest source of imports during the proposed investigation period.

This supports the Australian industry's claim of a direct correlation between the continued growth in imports from China and its lost sales opportunities and declining market share, despite increasing Australian demand. The applicants also provided direct evidence of customers negotiating lower prices by reference to cheaper imports from China.

The Commissioner is therefore satisfied that there appear to be reasonable grounds to support that the Australian industry lost sales opportunities it might otherwise have secured.

7.4.3 Price effects

As discussed in Chapter 5.6 of this report, the Commission considers that there appear to be reasonable grounds to support the applicants claim that dumped and subsidised goods exported from China caused injury to the Australian industry in the form of foregone sales volume, loss of market share, price depression and price suppression.

The Commission accepts that customers can purchase either from the Australian industry or from an import supply source. Import offers and movement in the price of import offers can therefore be used to negotiate prices with the Australian industry.

In the application, the applicants submitted evidence that competition from dumped and subsidised imports from China forced them to reduce their selling prices. The

applicants further submit that foregone sales volumes increased fixed costs per unit above what they otherwise would have been.

Having regard to the applicants claim, the Commission considers that there appear to be reasonable grounds to support the applicants claim that those imports contributed to price depression and price suppression, which in turn reduced profit and profitability.

The Commissioner is also satisfied that the information available provides reasonable grounds that the margins of dumping and subsidisation for imports from China provide exporters from China with a price advantage over the Australian industry. Considering the above, the Commission considers that there appear to be reasonable grounds to support the applicants claim that the importation of dumped and subsidised goods from China has caused the Australian industry injury in the form of price suppression and price depression.

7.4.4 Profit and profitability effects

As outlined in Chapter 5.7 of this report, the Commission considers that there appear to be reasonable grounds to support the applicants claim that the Australian industry has suffered injury in the form of decline in market share, loss of profits and reduced profitability.

Based on the direct evidence provided in the application, the Commission considers that the applicants lowered their prices to maintain production volume, which in turn affected their profit and profitability. This also affected the applicant's ability to raise prices sufficiently to cover costs, leading to price suppression and price depression caused by dumped imports.

7.4.5 Injury caused by factors other than dumping and subsidisation

The application did not identify any factor other than dumped and subsidised goods from China causing injury to the Australian Industry. The applicants claim that the material injury caused to the Australian industry is by the dumped and subsidised imports from China and is greater than that likely to occur in the normal ebb and flow of business.

The applicants claim that they lost substantial market share when demand for the goods has generally increased across the injury analysis period. The applicants assert that they have experienced price suppression and price depression over the injury analysis period alongside declines in revenue. These factors have adversely impacted on the applicants 'profits and profitability.

In accordance with section 269TAE(2A) of the Act, the Commission will assess this and other potential causes of injury to the Australian industry during the course of the investigation.

7.4.6 Materiality of injury

Having regard to the available information, the Commission's preliminary assessment of the claimed injury to the Australian industry caused by decline in market share, price suppression and depression and reduced profit and profitability appears to reasonably be material in degree. The Commission will further consider the materiality of injury during the investigation.

7.5 Conclusion – material injury caused by dumping and subsidisation

In accordance with section 269TC(1) of the Act, and having regard to the information in the application and other relevant information available to it, the Commission considers that there appear to be reasonable grounds to support the applicants claims that

dumped and subsidised imports of structural timber from China caused material injury to the Australian industry.

This preliminary conclusion is based on:

- the level of the dumping margins indicated in the application and subsidisation
- the preliminary assessment of decline in market share
- the preliminary assessment of price suppression and depression, and
- the preliminary assessment of reduced profit and profitability.

The Commission's assessment is at **Confidential Attachments 1 and 2**.

6 APPENDICES AND ATTACHMENTS

Appendices	Title
Non-confidential Appendix 1	Identified subsidy programs
Attachments	**Title**
Confidential Attachment 1	The economic condition of the Australian industry
Confidential Attachment 2	Dumping margin calculations
Confidential Attachment 3	Export price
Confidential Attachment 4	Subsidy analysis

NON-CONFIDENTIAL APPENDIX 1 – IDENTIFIED SUBSIDY PROGRAMS

Category	Program No	Name	Type	Regional	Evidence as to discontinuance	Could a producer of the goods be eligible?	Relevance to the goods	Included in investigation
Category 1: Preferential lending	1	Policy loans to the Chinese structural timber industry	Loan	NA	None	Yes	Due to the nature of the preferential lending and loans provided below market interest rates - it is considered that a financial contribution would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including goods exported to Australia). Structural timber products are derived from the same Chinese wood-processing industry as hardwood plywood. The applicants submit that each program identified 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.	Yes
	2	Preferential loans for state-owned enterprises	Loan	NA	None	Yes		Yes
	3	Northeast Revitalization Program loans and interest subsidies	Loan	Northeast Chinese provinces	None	Yes		Yes
Category 2: Grants and direct payments	4	Export assistance grants and export interest subsidies	Grant	NA	None	Yes	Due to the nature of the grant, it is considered that a financial contribution would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including goods exported to Australia). Structural timber products are derived from the same Chinese wood-processing industry as hardwood plywood. The applicants submit that each program	Yes
	5	Interest loan subsidies for the forestry industry; subsidies for development of “Famous Brands” and China World Top Brands	Grant	NA	None	Yes		Yes

Category	Program No	Name	Type	Regional	Evidence as to discontinuance	Could a producer of the goods be eligible?	Relevance to the goods	Included in investigation
	6	Regional and provincial grant programs	Grant	Guangdong Province and Shandong Province	None	Yes	identified 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.	Yes
Category 3: Income tax concessions	7	Income tax reductions for high and new technology enterprises (HNTE) and related concessions	Tax	NA	None	Yes	Due to the nature of the reduced enterprise income tax rate, it is considered that a financial contribution would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including goods exported to Australia).	Yes
Category 4: Less than adequate remuneration (LTAR)	8	Provision of electricity for LTAR	LTAR	NA	None	Yes	Electricity, timber, land-use rights and water are major cost factors in the production of the goods exported to Australia (in particular LVL).	Yes
	9	Provision of timber for LTAR	LTAR	NA	None	Yes		Yes
	10	Provision of land-use rights for LTAR	LTAR	NA	None	Yes		Yes
	11	Provision of water for LTAR	LTAR	NA	None	Yes		Yes