



Winstone Wallboards Ltd

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Mr Murray Sherwin, Chairman
New Zealand Productivity Commission
PO Box 8036
The Terrace
WELLINGTON 6143

Dear Mr Sherwin

This letter is a submission on behalf of Winstone Wallboards Limited (“Winstone Wallboards”) in relation to two recommendations identified as DR 4.6 of the Commission’s September 2012 report “Strengthening Trans-Tasman Economic Relations”.

Winstone Wallboards is a New Zealand based manufacturer and distributor of plasterboard with approximately 200 staff located at its manufacturing plants in Auckland and Christchurch. In Winstone Wallboards’ view, there are several problems with the mooted change to Rules of Origin (“RoO”) within DR 4.6. These concerns are listed below:

1. Country of origin is needed in order to impose current and future remedies under the Anti-dumping regimes of both countries. Loss of RoO would appear to compromise – perhaps make impossible – the legitimate trade remedy process which exists under the Dumping and Countervailing Duties Act 1988. The suggested change may allow plasterboard from Thailand, against which there are existing trade remedies, into New Zealand free of the current anti-dumping duty that would apply to it if it was imported directly from the country of origin to New Zealand.
2. Winstone Wallboards is concerned that imports from countries with tariffs may arrive in New Zealand via an Australian transshipment with transshipment costs less than the tariff.
3. The New Zealand (and Australian) manufacturing industry is entitled to statistical information fully revealing the origin of goods with which it must compete in the domestic market. The suggested RoO changes erode that legitimate flow of information and the transparency regarding import supply that Australasian manufacturing considers reasonable and necessary.
4. While Winstone Wallboards accepts the overall productivity gain that could occur in the reduction in paperwork by removal of RoO, this should not allow companies to bypass the need to pay anti-dumping duties simply because they tranship their

products through a third country and make use of the “no anti-dumping rule” under CER. This is especially true in the case of Plasterboard from Thailand where the import tariff into both Australia and New Zealand is nil, but there is a current anti-dumping remedy in New Zealand.

5. Winstone Wallboards has a concern that the Productivity Commission’s tariff proposals under DR4.6 may have been developed separately from the scheduled 2013 review of tariff policy which Winstone Wallboards understands will be conducted by the tariff policy branch of the Ministry of Business, Innovation and Employment. In Winstone Wallboards’ view, any change to RoO should not be considered without advice from the arm of government with tariff policy responsibility, nor be out of step with the tariff review timetable (and no doubt consultation process) to which the relevant Ministry is already operating.
6. Loss of RoO information compromises the ability of NZ industry to effect Safeguard measures.

We trust these concerns regarding RoO can be addressed in the Commission’s final report.

Yours faithfully

David Thomas
General Manager