



**MASTER BUILDERS**  
AUSTRALIA

27 January 2006

Your ref: C2006/71

Mr Scott Gregson  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
DICKSON ACT 2602

FILE No:
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Dear Mr Gregson,

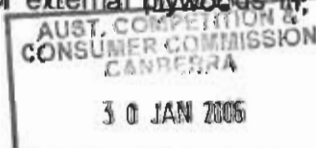
**Exclusive Dealing Notification N31493 Lodged by James Hardie Australia Pty Ltd**

Thank you for your letter dated 16 January 2006. Master Builders is happy to assist the ACCC in providing information and comments on all industry related matters. On this occasion some of the questions are outside the knowledge held by MBA. However, we have responded to some of the questions contained in your letter on a technical basis. We have no comments on the substantive application.

It should also be noted that Master Builders, through its members, has had working relationships with James Hardie Australia Pty Ltd (James Hardie) over the years via sponsorship and other interactions. Master Builders notes this for the sake of proper disclosure.

In relation to a limited number of specific questions contained in your correspondence, we make the following general comments:

- There are two principal manufacturers of fibre cement products in Australia. These are CSR Limited and James Hardie. We believe there are some smaller manufacturers in Australia but they do not control a large section of the market. Market share figures are not known to us.
- In relation to the question regarding substitute products; a common substitute for internal wet area wall lining sheets (in lieu of fibre cement sheeting) is a plasterboard product specifically designed to deal with wet areas in showers, bathrooms, laundries and the like. However, in external applications the industry chooses to use fibre cement sheeting to clad timber frame construction which, when rendered, gives the appearance of rendered masonry construction. To our knowledge, there is little use of substitute materials because fibre cement sheet is a superior material for this application. There are plywoods that can be used for this application. However the building technique of cladding external buildings with plywood has not been adopted by the industry in Australia compared to the use of external plywoods in, say, the United States.



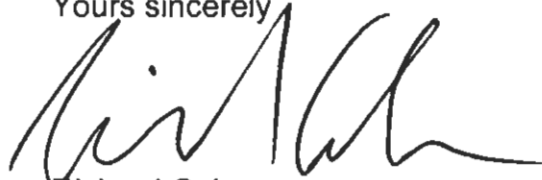
Master Builders Australia Inc  
Level 1, 16 Bentham Street  
(PO Box 7170)  
YARRALUMLA ACT 2600  
A.B.N. 70 134 221 001  
Incorporated in South Australia with limited liability

Telephone: 61 2 6202 8888  
Facsimile: 61 2 6202 8877  
Email: [enquiries@masterbuilders.com.au](mailto:enquiries@masterbuilders.com.au)  
Website: [www.masterbuilders.com.au](http://www.masterbuilders.com.au)

- Environmental or climatic conditions dictate certain design and building practices to meet varying needs based upon these variables. The type of stock held by distributors would also be determined by topographical issues where light weight timber frame buildings would be more cost effective to build than concrete or masonry structures, say, in a coastal region. Accordingly, fibre cement products would often be used as external cladding to achieve the appearance of modern architectural designs without the increased costs associated with these designs.

If you wish to discuss any of these technical issues further, please contact Neil Evans, National Director Technical and Policy, on 02 6202 8888.

Yours sincerely



Richard Calver  
**Acting Chief Executive Officer**