



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**MINISTERIAL STATEMENTS**

**Antidumping Reforms**

**SPEECH**

**Wednesday, 21 September 2011**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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<b>Questioner</b>		<b>Responder</b>	
<b>Speaker</b>	O'Connor, Brendan, MP	<b>Question No.</b>	

**Mr BRENDAN O'CONNOR** (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (10:00): by leave—The government believes that our nation's best days are ahead and is working to keep the Australian economy strong.

While the fundamentals of our economy remain strong, some sectors of our economy are under pressure.

There are additional challenges for Australian industry because of the rise in value of the Australian dollar and uncertainty in the global economy.

There are global forces impacting upon the Australian economy, which is in transition. Our terms of trade, climate change, the advent of new technology, and the drive for knowledge and innovation all represent profound challenges in the context of the global economic landscape.

That is why the government is supporting Australian industries to innovate, transform and meet the challenges in a range of ways.

We are acting to lift productivity, investing in innovation and skills, reforming the tax system to encourage investment and improve participation, and assisting businesses to access opportunities in Australia and overseas.

And our reform agenda is helping businesses to move to a modern, high-skill, high-tech, clean energy economy which will create Australian jobs into the future. As part of the reform agenda, the government is also supporting Australian business to remedy the harmful effects of unfair trading practices like dumping and the subsidisation of goods by other countries. We are doing so through the most significant improvements to the antidumping and countervailing system in a decade, which I will outline to the House.

When we came into government, we inherited an antidumping and countervailing system that needed reform. The antidumping system under the Howard government became overly complex, time consuming and difficult to access. Antidumping investigations were at historically low levels.

The government asked the Productivity Commission to review the operation of the antidumping system, and in June of this year the Minister for Trade and I announced the government's response to that review. In developing a package of improvements we listened to manufacturers and their workers, to producers and importers, to members of parliament, and to industry associations and to trade unions.

We will continue to work with all parties involved in the antidumping system on the implementation of the government's reforms through the new International Trade Remedies Forum. The forum will help ensure that the antidumping system continues to reflect industry experience and the international trading environment.

The first meeting of the forum occurred last month and I thank all those who attended and contributed.

### **Faster resolution of dumping complaints**

The government's improvements to the antidumping system are designed to deliver faster resolution of complaints about dumping.

The government is increasing staff in the International Trade Remedies Branch of Customs and Border Protection over the next 12 months by 45 per cent, from 31 to 45 staff, to ensure cases are resolved as quickly as possible. Recruitment of additional staff to work on dumping complaints has already commenced, with new staff starting shortly.

Legislation introducing a 30-day time limit on minister's decision-making has already passed the House. No longer will we see the long delays we saw under the Howard government when a minister repeatedly refused to decide antidumping cases for more than a year. From more than 365 days to 30 days—this will help faster decision-making.

The changes will also enable consideration of the need for provisional measures at the earliest opportunity in the investigation, if there is adequate information to do so, rather than waiting until verifying all data, as has been the case historically.

### **Better decision-making**

It is not just about making decisions faster, it is about improving the quality of decisions in the interests of the Australian economy, and Australian jobs. Antidumping cases are complex matters and I commend the work of the branch for the diligence with which they apply themselves to an often thankless task.

The government will be providing additional resources to support them in this difficult work. Specialist knowledge of particular industries and particular countries and experts in forensic accounting will supplement existing staff knowledge in complex cases and provide advice on key issues. The government is settling a protocol with the forum for accessing the right expertise in the right cases.

The government is also making significant changes to the appeals process. The use of an appropriately supported panel of review officers will ensure a review officer with appropriate skills and experience hears appeals in a timely manner. The review officer will be able to make recommendations directly to the minister, supported by targeted reinvestigation of particular findings.

Work has commenced on reviewing the effectiveness of Australia's 'particular market situation' provisions, with a newly formed working group to report to me by the end of this year.

The definition of what constitutes material injury caused by dumping will be amended to allow a more inclusive consideration of the impact of dumping on employment and investment, and I will issue a direction to clarify that profits forgone and other injury caused in new or expanding markets are relevant injury considerations. The branch will also clarify how it determines whether dumping or other factors have caused injury.

### **Improved access**

The government will improve access to the antidumping system for Australian businesses. For example, more practical support will be provided to small and medium enterprises, who face the greatest barriers to accessing the antidumping system. We are funding a small and medium enterprise support officer within industry to assist more businesses make effective use of antidumping measures. That officer will work with businesses, helping them to prepare applications, including through compiling evidence that may be needed for investigations to be initiated, and then working with other businesses that wish to participate in ongoing investigations.

The government is working with the forum to determine the best way to resolve the particular problems faced by primary producers in accessing the antidumping system.

Parties will also more easily be able to update measures that are already in place because of changes that will allow a partial review of these measures, instead of requiring a de facto reinvestigation.

### **Comparable countries**

The government is ensuring that Australia's antidumping system is administered more in line with comparable countries, taking into account relevant cases and practices in other countries.

We are strengthening the approach to parties who choose not to cooperate in antidumping investigations. This will ensure that parties do not manipulate the antidumping system by not participating or by engaging in selective participation, and that the branch has the best information available to make a decision about the existence of dumping.

The branch will take a more flexible approach to determining the appropriate form of a dumping or countervailing duty, and in the method used to determine the non-injurious price. This will ensure that dumping remedies more effectively prevent further injury to Australian industry.

The government is also clarifying that the parties permitted to participate in investigations, including by making submissions, include relevant industry associations, unions and downstream industry. This will make sure people and businesses affected by dumping get a real say in dumping decisions.

### **Stronger compliance mechanisms**

The government will ensure there are stronger compliance mechanisms in place, so that Australian industry actually gets the protection of measures where dumping or subsidisation has caused them material injury.

There will be increased monitoring of compliance with antidumping measures with the creation of a dedicated position to develop and implement an improved and proactive monitoring program. Further, the government will work with the forum to develop a framework to prevent the unfair circumvention of measures by the modification of products, sending products through third countries or exporters with a lower duty rate, or assembling parts in Australia.

### **Conclusion**

The government's reforms get the balance right for a modern antidumping system and bring Australia into greater alignment with the practices of comparable trading nations.

The comprehensive package of improvements the government is implementing re-affirm the commitment on this side of the House to the world trading rules, while better serving our industries and helping our workforce enforce their rights against unfair dumping practices.

We are providing better access to antidumping remedies for businesses, irrespective of their size, and will support the branch to resolve investigations more quickly. Greater resources and expertise will improve decision making.

Our suite of improvements will help keep our economy strong and provide greater certainty for Australian business, including manufacturers, primary producers and importers and, importantly, their workers, families and communities.

The government wants to maintain confidence in the benefits of international trade, and that means everyone having confidence that everyone follows the rules of trade.

We will support local business and give them confidence to invest in the future.

I present a copy of my ministerial statement and I ask leave of the House to move a motion to enable the member for Indi to speak for 10 minutes.

Leave granted.

**Mr BRENDAN O'CONNOR:** I move:

That so much of the standing orders be suspended as would prevent Mrs Mirabella speaking for a period not exceeding 10 minutes.

Question agreed to.