



Chamber of the House of Representatives
Customs Amendment (Anti-Dumping Improvements) Bill

18 August 2011

Sharon Grierson MP

Ms Grierson (Newcastle): I am pleased to stand here today to lend my support to Labor's latest demonstration of its support for regional employment and a competitive manufacturing industry – the Customs Amendment (Anti-Dumping Improvements) Bill.

This Bill draws and builds upon two of the finest elements of the Labor tradition:

- Our commitment to an open, prosperous and competitive economy; and
- Our equally strong commitment to preserving jobs and supporting manufacturing industries, especially in regional areas.

This Bill forms part of the first tranche of improvements to Australia's anti-dumping regime announced by Home Affairs Minister O'Connor and Trade Minister Emerson on 22 June.

It represents the most important overhaul of anti-dumping measures in a decade, providing greater security to Australian manufacturers from deliberately under-priced foreign goods.

Mr Speaker, the dumping of unfairly priced foreign goods has long been a major concern to industry and workers in regional electorates like mine in Newcastle.

Upon our election in 2007, the Federal Labor Government quickly came to appreciate the weaknesses in our previous anti-dumping arrangements.

Industry, unions and the communities sustained by manufacturing made very clear their concern that Australia's safeguards against dumping were not up to the task.

Even a cursory examination of the evidence available demonstrated that these complaints had some merit.

In particular, it was clear that other comparable nations, including Canada and the United States, had much more robust safeguards against the same types of dumping activity that were affecting Australia.

As a first step to reform, on 3 July 2008 the Council of Australian Governments affirmed their support for a strengthening of anti-dumping arrangements.

Accordingly, in March 2009 then Assistant Treasurer Bowen directed the Productivity Commission to review the adequacy and rationale of our anti-dumping arrangements.

The Productivity Commission publicly released its report in early 2010 and its recommendations form the basis of the Bill we are considering today.

Most importantly of all, the Commission concluded there were strong grounds to continue a robust and effective anti-dumping system.

But echoing concerns from a range of community, business and employee groups, the Commission concluded there were a number of serious deficiencies in our anti-dumping safeguards.

The Government has accepted, either in full or in part, fifteen of the Commission's twenty recommendations.

The package of 29 new measures announced by Minister O'Connor and Minister Emerson on 22 June represents the most far-reaching overhaul of our anti-dumping arrangements in over a decade, giving greater security to Australian manufacturers from deliberately under-priced foreign imports.

This Bill amends Division 5 of Part 15B of the Customs Act 1901, giving effect to a number of those 29 new measures.

It reflects four key principles of the Government's package.

Firstly, a new time limit on Ministerial decisions will give greater certainty to all parties involved in dumping cases.

It will require the responsible Minister to reach a decision within thirty days of receiving a report or a recommendation on which to make a decision.

This will give all parties involved – whether the foreign importer accused of dumping, or the business and worker whose prosperity is being undercut by unfair practices – greater uncertainty about when their case will be resolved.

Although it has long been the practice of the Federal Labor Government to reach a decision within 30 days, this will bind future Governments to this timeline and provide greater certainty to all parties involved.

Secondly, the Government will boost confidence in the integrity of our arrangements by widening the definition of anti-dumping to better reflect its adverse impact on jobs, industry and communities.

So when determining whether "material injury" had occurred – the key test of imposing anti-dumping duties – the responsible Minister may now consider the impact on jobs and investment in industry.

This is a commonsense decision that I warmly endorse.

We cannot expect workers of business to have any confidence in an open and liberal trading system if we cannot protect their job security or investment in their industry from unfair and predatory competition.

Thirdly, these measures will mean that the set of policy levers in place to respond to dumping are comparable to other nations.

Again, this represents another commonsense decision.

For too long, comparable nations – including the United States and Canada – have been able to impose higher duties than Australia on the same goods dumped in the same circumstances.

By removing these anomalies and ensuring better consistency with comparable nations, we will ensure that Australian industries are competing on a more level playing field with our trading partners.

Finally, we will significantly improve transparency by widening the number of parties that can participate in anti-dumping investigations.

This Bill will clarify that industry associations, trade unions and downstream industries who have a direct interest can now be treated as an interested party and participate in investigations.

Ensuring that decision-makers have access to as much relevant information as possible and making decision-making processes as transparent as possible are fundamental principles of good governance.

Widening the range of bodies that can contribute to an investigation will provide all parties greater confidence that the most informed and transparent decision will be made on dumping cases.

Mr Speaker, these amendments will make substantive and commonsense changes to our anti-dumping arrangements.

They are fully compliant with our World Trade Organisation and other international obligations.

It should be noted there was one important recommendation from the Productivity Commission's report that the Government does not accept and that its proposal for a bounded public interest test.

We understand the Productivity Commission's interest in ensuring that broader public interests, especially that of consumers, is taken into account on anti-dumping decisions.

But under present arrangements, the responsible Minister already has more than adequate scope to take account of the public interest implications of any decision to impose anti-dumping duties.

Nor is there a compelling case, at least as far as I am aware, that our present anti-dumping safeguards have in any way impinged substantially on consumer or other public interests.

The Productivity Commission's proposal, although well-intentioned, would simply have placed an unnecessary brake on the Government's ability to apply remedies to proven dumping activities.

It's no surprise that these changes have been widely applauded by unions, businesses and communities.

To quote Australian Industry Group Chief Executive, Heather Ridout:

"These improvements will help create a stronger, more credible and transparent anti-dumping regime for Australia. They are critical for Australian businesses to effectively combat the predatory sale of under-priced products on the local market and to support the ongoing health of domestic industries."

Of course, there have been some armchair commentators who continue to regard anti-dumping measures as an offence to the supposed purity of true free trade.

For example, just last week Chris Berg from the Institute of Public Affairs described anti-dumping laws as "nonsense" and "pure protectionism".

The Federal Labor Government rejects this view entirely.

Rather than detract from liberal trading system, a robust and effective anti-dumping system actually reinforces community confidence in free trade.

Because one of the fundamental principles of any free trading system is that it be based on a level playing field.

Measures against dumping ensure that such a level playing field is maintained.

The simple reality is that no Government, no business, no community and no union anywhere in the world can or should tolerate domestic industry being undercut by unfair trading practices.

If such predatory under-cutting was allowed to run rampant, it would serve only to strengthen support for protectionism and undermine the very system of open and competitive trade upon which our prosperity depends.

Dumping also has particular significance for regional areas like the Hunter region.

Although the incidence of dumping has decreased in recent years, the sectors where it still occurs – paper production, aluminium and other related industries – are overwhelmingly concentrated in regional areas.

By implementing these measures, the Government is recognising the increased pressure faced by many of Australia's manufacturing industries.

Although the Federal Government can't influence many of the factors putting pressure on manufacturing – such as high commodity prices and the value of the Australian dollar – we can do something about policing unfair foreign competition.

I note that many members of the Opposition have, for reasons of political opportunism, recently discovered a belated interest in the manufacturing sector.

Unfortunately, despite all their bluster, the Opposition has yet to put forward a single positive policy to provide support to Australian manufacturing.

I am pleased the Coalition will be lending its support to this vital Bill.

But this will not be the last test of their resolve to support manufacturing jobs.

In the coming months, Federal Labor will present Bills to effect our industry assistance programs under the Clean Energy Future Plan.

This will provide Members on the opposite side of the Chamber a very clear and very unambiguous opportunity to demonstrate whether they genuinely support assistance for jobs in regional areas.

For example, will the Member for Warringah, with his oft-stated concern for the steel industry, vote for or against support for steel-worker jobs in Whyalla, the Illawarra or Newcastle under the \$300 million Steel Transformation Plan?

On 11 August, Senator Joyce waxed lyrical in a press release about the continued threat of unemployment in his home State of Queensland.

So the question before Senator Joyce is, will he vote for or against the \$9.2 billion Jobs and Competitiveness Program, which will provide direct support to industries in Queensland?

And the Member for Paterson, Mr Baldwin, will have a clear choice as to whether he supports or opposes assistance to mines and mine-workers in his own electorate under the \$1.3 billion Coal Sector Jobs Package.

Mr Speaker, this Bill demonstrates very clearly Labor's support for manufacturing jobs in Australia.

Its not about spin.

Its not about getting a good visual of our leader on the evening news wearing a hard hat and feigning interest in regional jobs.

Its about enacting real-world measures that will make a tangible difference to pressures currently faced by our manufacturing industries.

Mr Speaker, I commend this Bill to the House.