



## Policy costing

Measures to deal with anti-dumping	
Party:	Australian Labor Party
Summary of proposal: This proposal has two components relating to anti-dumping provisions. <ul style="list-style-type: none"><li>• Component 1 – Increase funding by \$3.5 million per year for the Anti-Dumping Commission.</li><li>• Component 2 – Increase the additional duty by 200 per cent for those who circumvent the anti-dumping provisions.</li></ul> The proposal would have effect from 1 July 2019.	

## Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by \$3.5 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in departmental expenses of \$14 million and an increase in revenue of \$10.5 million.

A breakdown of the financial implications over the 2019-20 Budget forward estimates period is provided at [Attachment A](#). This proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period.

The financial implications relating to this proposal are highly uncertain as these are based on an assumption that the levels of circumvention activity would be similar to the levels since anti-circumvention provisions were introduced in June 2013.<sup>1</sup> The amount of circumvention of the anti-dumping provisions has been highly variable from year to year, and anti-dumping notices (and any subsequent changes to the notices to respond to circumvention) depend on the circumstances of each case, which are also highly variable. Additionally, the Parliamentary Budget Office (PBO) has not undertaken any analysis to assess whether the proposed expenditures would be sufficient to achieve the objective of the policy proposals.

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<sup>1</sup> As per the *Customs Tariff (Anti-Dumping) Regulation 2013*

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	<b>Total to 2022–23</b>
Fiscal balance	-1.0	-1.0	-1.0	-1.0	<b>-3.5</b>
Underlying cash balance	-1.0	-1.0	-1.0	-1.0	<b>-3.5</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Ongoing levels of circumvention activity would be similar to the levels since anti-circumvention provisions were introduced in June 2013.
  - As there have been a limited number of cases completed since June 2013 the PBO does not have sufficient information to inform any assumptions about possible behavioural responses.
- The additional funding to the Anti-Dumping Commission would not result in increased revenue from anti-circumvention inquiries.
  - Due to the complex and specialist nature of the work, increased resourcing may have limited effects on the timeframes of the anti-dumping investigation process, which already include legislated limits.
  - An increase in investigation finalisations would not necessarily equate to an increase in revenue, as the remedy imposed is specific to each case.
- The increase in penalties for dumping would not reduce the level of illegal dumping activity.

## Methodology

The additional funding to the Anti-Dumping Commission is \$3.5 million per year as specified in the request.

The additional revenue raised from anti-circumvention inquiries is based on applying the proposed increase of 200 per cent to the historical average annual additional duty amounts.

Estimates have been rounded to the nearest \$0.5 million.

## Data sources

The Anti-Dumping Commission provided information on revenue raised from anti-circumvention inquiries.

## Attachment A – Measures to deal with anti-dumping – financial implications

**Table A1: Measures to deal with anti-dumping – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Total revenue	2.5	2.5	2.5	2.5	<b>10.5</b>
Total expense	-3.5	-3.5	-3.5	-3.5	<b>-14.0</b>
<b>Total</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-3.5</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms.

A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms.

A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.