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The Secretary
Senate Standing Committee on Economics
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CFMEU Submission to the Inquiry into the Customs Amendment (Anti-Dumping Measures) Bill

Thank you for the opportunity to be able to make comment to the inquiry into *The Customs Amendment (Anti-Dumping Measures) Bill*.

Although this proposed amendment does provide some added certainty and clarity for Australian manufacturers who would otherwise suffer material injury from dumping if the unfair trade they faced was not currently and continued to be remedied through the levying of anti-dumping duties on dumped like imports, the major issue facing Australian manufacturers is that dumping and countervailing *is* occurring and causing injury in many cases *without* this injury being remedied by anti-dumping duties or anti-countervailing duties due to a number of factors.

The CFMEU directs the Senate's Economics' Committee to two core documents which the CFMEU has been involved which further explains some of the factors which are preventing our manufacturing industries from being able to compete on a level playing field through remedy to unfair trade.

1. CFMEU submission to Productivity Commission's Inquiry into Australia's Anti-Dumping and Countervailing System , available online @:
http://www.pc.gov.au/_data/assets/pdf_file/0018/90207/sub027.pdf
2. Anti-Dumping Roundtable Issues Paper, available online @:
http://www.cfmeuffpd.org.au/multiversions/4942/FileName/anti_dumping_rt_issues_paper.pdf

Endorsed from the Roundtable jointly hosted by some of Australia's major manufacturing unions and attended by some of Australia's largest manufacturers on April 20, 2011, were the following guiding principles for the next steps required to be pursued to assure a leveler playing field for Australian industry and the workers, families and communities reliant on it:

- A properly resourced, independent anti-dumping and countervailing system.
- Relevant agencies, in particular Customs and the TRMO must respond proactively to dumping and subsidy complaints and undertake appeals openly, transparently, expertly and fairly;
- Improving the culture and technical capabilities of Customs aimed at assisting local industry and compliance with Customs decisions by all parties;

- Consider treating Chinese exports via state owned enterprises via separate agreement, like other state owned enterprises in other developed economies consistent with China's market economy status;
- Reflect WTO rights in Australia's anti-dumping and countervailing system as legal trade defences rather than industry protection;
- Amend the Customs Act to acknowledge that unions should have the right to petition for investigations in particular on behalf of smaller employers;
- Strong local content requirements encouraging the local supply chain to manufacture and source locally; and
- Oppose a very narrow Public Interest test, which undermines anti-dumping measures.

The CFMEU believes that the *The Customs Amendment (Anti-dumping) Bill* introduced by Senator Xenophon provides a better base for reforming the anti-dumping and countervailing system in the national interest based on the above guiding principles compared to this bill (*The Customs Amendment (Anti-dumping Measures) Bill*). The CFMEU has submitted into the alternative Senate Economics' Committee inquiry into that bill and the submission is available online @: <http://admin.cfmeuffpd.org.au/multiversions/4946/FileName/sub081.pdf>

The CFMEU agrees that the amendments proposed in this bill (*The Customs Amendment (Anti-dumping Measures) Bill*) are consistent with Australia's World Trade Organisation obligations and the current practices of Customs and Border Protection. However, a lot more can and should be done to defend Australian industry from dumping and countervailing in a way which is also consistent with Australia's World Trade Organisation obligations. We know this is possible because other WTO member governments have systems far more responsive to the needs of their local industries than Australia's system has demonstrated. The government should address what is possible and what is not possible with the goal of providing maximum security to local industry whilst remaining consistent with our international obligations under the WTO Anti-Dumping Act.

It is highly likely that the current practices of Customs and Border Protection will require significant scrutiny and reform in this necessary process.

Sincerely,

Michael O'Connor
National Secretary
CFMEU