

Questions on Notice

Senate Economics Legislation Committee

Inquiries into the Customs Amendment (Anti-dumping Measures) Bill 2011 and
Customs Amendment (Anti-Dumping) Bill 2011

4 May 2011, Canberra

DEPARTMENT OF INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

Question 1

Written

Senator CAMERON asked:

- a) Could you advise what consultation took place between industry and unions and the department which allowed the department to reach the conclusion that:

... "The involvement of unions might lead to tensions between employees and employers between parent and subsidiary companies, with adverse implications for investment in manufacturing in Australia.

Situations could also arise where a union representing employees of downstream users of the like goods might regard itself as an interested party, since its members could also be affected by anti-dumping measures"

- b) Please provide details of unions and employers or employer groups consulted.
c) If no consultation took place please advise as to the reason for this.
d) Please advise practical examples of the "unintended consequences" outlined in your submission.
e) Please advise if the department considers the inclusion of a union as an interest party breaches any WTO obligations.

Answer

(a), (b) and (c) DIISR does not oppose the involvement of unions in anti-dumping or countervailing matters. As noted in the DIISR's submission, the department is of the view that the involvement of unions whose members are directly concerned with the production or manufacture of like goods could assist SME dominated industries to access the system by providing a central body for collating and presenting relevant information. In providing the advice noted in 1(a) above, DIISR merely sought to highlight the need for cooperation between relevant Australian producers and unions so as to avoid tensions and for actions to succeed.

Views expressed in the department's submission are based on interactions with industry stakeholders, companies and union representatives, as well as on submissions made during and after the recent Productivity Commission (PC) inquiry into Australia's Anti-dumping and Countervailing System. As part of the consultation phase of responding to the PC inquiry, departmental officers met with a range of industry stakeholders and companies including:

- Alcoa of Australia / Alcoa Australia Rolled Products;

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- Australian Paper;
- Australian Vinyls Corporation;
- BlueScope Steel;
- Capral;
- Kimberley Clark Australia;
- OneSteel; and
- PolyPacific / Townsend Chemical

The department also maintains regular contact with union representatives through bodies such as Industry Innovation Councils. For example, the Australian Workers' Union and the Australian Manufacturing Workers' Union are members of the Steel Industry Innovation Council.

- (d) DIISR has not identified any unintended consequences relating to union involvement in anti-dumping and countervailing matters where there is cooperation between Australian producers and unions in the development of applications and/or in the conduct of investigations – indeed, as noted above, the department is of the view that union involvement could assist SME dominated industries access the system.

However, without cooperation between relevant Australian producers and unions, unintended consequences of union involvement could include:

- (i) inability to establish sufficient support from Australian producers of like goods for the initiation of an investigation;
 - (ii) inability to produce sufficient evidence to support a conclusion that dumping has caused material injury to the Australian industry producing like goods; and
 - (iii) unnecessary expenditure of time and resources on unsupported anti-dumping or countervailing applications.
- (e) The department is guided by the Department of Foreign Affairs and Trade (DFAT) on the issue of WTO compliance. The Department understands that DFAT has provided advice on this issue to the Committee.