

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 60

Topic: PC Inquiry – Antidumping – Toilet Paper

Hansard Page: E34 – E 35 (10/02/2010)

Senator XENOPHON asked:

Senator XENOPHON—Can I go to the issue of toilet paper. A big issue in my home state is the antidumping duties being removed, with respect to toilet paper imports from China and Indonesia, and the consequent fear that some 1,500 jobs could be lost in the south-east of South Australia. One of the key recommendations of your draft report in terms of Australia's antidumping and countervailing system is to introduce a bounded public interest test. I am very happy for this to be taken on notice, given the time constraints. Would the public interest include cheaper products? Do you take into account the employment effects of the cheaper products and also the concern that has been expressed to me by some involved in competition law that if we end up losing local manufacturing—for instance in relation to toilet paper, because of the imports that have been dumped well below price in their own market—we could end up having prices being forced up when there is no longer any Australian manufacturing? The other issue is this. Does the commission assess the role of the trade measures review office in terms of their processes? One of the concerns has been that they are constrained in terms of what information they can consider in a review of their initial determination. I am referring in particular to reports Nos 138 and 158. So, effectively, do you assess the effectiveness of the investigations and should you, with investigations, consider further evidence? I am happy for that to be taken on notice given the constraints.

Mr Banks—The complication that immediately occurs to me is that we have got our final report that is with government at the moment and has not been publicly released. If that report is released in the short term it will be far easier for us to refer to it. It may not be all that useful for us to refer back to the draft report. You would recall, in relation to the bounded public interest test, that it was not going to be that you add up all the costs and benefits across the country but rather see if there some anomalies, clearly anomalous situations, that would be occurring if you put antidumping duties on such that it would clearly not be in Australia's interest. We had a number of criteria there. I could get back to you on those. They are in the draft report. But even in that area, as with other inquiries, I am sure we finetuned those and there are probably some changes there and so on.

Senator XENOPHON—Perhaps there could be a response insofar as it is appropriate in terms of some of the issues raised and also in terms of the processes and there could be, if it is possible to get it, a further response from the commission once the final report has been released by the government.

Answer:

The Commission forwarded its final report on *Australia's Anti-dumping and Countervailing System* to the Government on 18 December 2009. That final inquiry report is not yet public, but the Commission's initial analysis of these issues can be

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found in the draft report of 10 September 2009, available at <http://www.pc.gov.au/projects/inquiry/antidumping/draft>.

As to the questions on the scope of the inquiry, the Commission's Act requires that it consider the impacts of the measures it studies on the overall performance of the economy and the living standards of all members of the community, and the terms of reference for the inquiry required, in part, that the Commission:

- examine the economy-wide benefits and costs of the system
- make recommendations on the future role of an anti-dumping system with the aim of improving the performance of the economy, having regard to the interests of industry, importers and consumers
- report on the administration of the system and advise on ways to improve administrative efficiency and reduce compliance costs.