



International Trade Remedies Forum

Summary of meeting outcomes and action items

26 May 2020

Agenda item 1 – Introduction and welcome

The Commissioner of the Anti-Dumping Commission (Commissioner) opened the meeting and thanked members for their attendance. The Commissioner noted that the meeting was being conducted virtually due to social distancing requirements relating to COVID-19.

The Commissioner welcomed the organisations newly appointed as ITRF members for 2020 by the Minister for Industry, Science and Technology. Russell Wiese, representing the Freight and Trade Alliance (FTA), noted that FTA represented a range of participants in international supply chains, many of which were impacted by dumping duties. Anthony Alembakis from Oceania Glass noted that the anti-dumping system was important to its work as a float glass manufacturer based in Dandenong. Andrew Robertson from Australian Pork Limited (APL) stated that APL had faced challenges in applying for anti-dumping measures for pig producers, including in relation to the treatment of close processed agricultural goods, and was committed to ensuring equitable access to the system for agricultural producers.

The Commissioner noted that the ITRF was established under legislation to advise the Minister on the operation of, and improvements to, the anti-dumping system. The Commissioner considered that the ITRF had been effective in bringing together views from a range of stakeholders with differing perspectives and enabling a form of consensus to emerge on issues to be taken forward. While a range of opinions had recently been expressed in the news media on the system, these did not relate to the operational role as Commissioner in administering Australia's anti-dumping system in accordance with his legislative obligations. However, the ITRF provided a forum for members to discuss these issues if they wished to do so. Bryan Clark from the Australian Chamber of Commerce and Industry supported the Commissioner's comments, and noted that the Forum operates within existing guidelines.

The Commissioner noted that Australian businesses were making significant adjustments to adapt to the unprecedented challenges of the COVID-19 pandemic. Similarly, the ADC was utilising a range of technologies to enable it to continue to deliver an effective anti-dumping system under the new social distancing requirements. The ADC continued to conduct case work in as timely a manner as possible, and applications for measures could continue to be received in line with normal processes. Existing measures continued to apply to relevant goods entering Australia, and the review of measures mechanism enabled measures to be updated to reflect market changes. The ADC had temporarily suspended international onsite verification, but remained committed to ensuring that data submitted to the ADC was complete, relevant and accurate, and was currently undertaking a program of desktop verifications. Desktop verification was, however, time consuming and resource intensive, and the COVID-19 experience had highlighted the significant quality and efficiency benefits of onsite verification. The Commissioner was committed to the ADC resuming onsite verification when it was safe to do so.

The ADC also understood that members may be concerned about the impact of COVID-19 on global trade flows, and was continuing to support industry with improved trade flow information, including through the publication of the Trade Remedy Index in a new interactive format.

Outcomes from previous meeting

The Commissioner confirmed with members the outcomes of the Forum's meeting on 9 July 2019. These meeting outcomes have now been published on the ADC's website.

Agenda item 2 – Anti-Dumping Commission update

Paul Sexton, Investigations General Manager in the ADC, provided an overview of the Commission's caseload. The ADC was currently managing 49 cases, although on a WTO count (where each dumping and countervailing case relating to a single country was counted separately) it was just over 100 cases. Twenty of these cases resulted from applications from Australian manufacturers, including eight applications for new measures, as well as applications to continue or review existing measures or for an anti-circumvention inquiry. The other 29 cases were requested by importers and exporters, and included 25 applications from importers seeking assessments of their final duty liability, which made up around half of the ADC's cases. The ADC was also conducting reinvestigations or providing submissions in eight Anti-Dumping Review Panel matters. Steel and aluminium products accounted for around 80 per cent of the ADC's overall case work, which was consistent with recent years.

Mr Sexton noted that ADC staff had the necessary technology to progress their work from home in line with Government directions related to COVID-19, and the ADC was regularly monitoring case progress to enable reallocation of resources where necessary. Due to COVID-19 shutdowns, many interested parties had limited access to data, and requests for extensions of time to provide information and make submissions had doubled. In considering these requests, the ADC required evidence that data could not be obtained, and provided extensions for limited periods only. All verifications were being conducted remotely but were progressing in the vast majority of cases.

Mr Sexton advised that the ADC had published updated guidelines on anti-circumvention on its website in March 2020. These did not incorporate substantive changes, but utilised a more accessible format, removed outdated information about ADC practices, and incorporated guidance on the slight modification of goods which had previously been located separately on the website. In another minor change, the ADC was also refining how it engaged with Australian industry members prior to initiating an investigation. Previously, the ADC's practice was to not seek information from other possible Australian industry members unless mentioned in an application. However, as the ADC received more applications related to fragmented industries, this made it difficult to properly understand the scope of the Australian industry and assess if the application had sufficient industry support. Going forward, where the standing of an application is unclear, the ADC will notify the applicant of its intent to contact other potential Australian producers for the limited purposes of clarifying the scope of the goods and support for, or opposition to, the application. The applicant will also have the option of making their own further enquiries, or withdrawing the application. Mr Sexton noted that other jurisdictions made similar pre-initiation inquiries, and these changes would be reflected in the guidelines for applicants and the Dumping and Subsidy Manual.

Agenda item 3 – Trade Remedy Index enhancements

The ADC provided a presentation on recent enhancements to the Trade Remedy Index (TRINDEX), which provides information on product trade flows to help people interacting with the anti-dumping system. The TRINDEX was first published on the Department's website in June 2019 in Word and PDF formats and contained a series of static charts showing volume and price indices for each product. However, in April 2020, the ADC published TRINDEX for the first time as two interactive charts produced using the Power BI platform. This change was prompted by stakeholder feedback and ADC observations that the static charts were hard to interpret and could be difficult to read, particularly for products with large numbers of exporting countries. This enhancement should give stakeholders the ability to gain more meaningful insights from the data. The charts allow users to show data by product, country of export and time period, and the index numbers are also visible if users hovered over the charts. In addition, when users change a parameter, the volume and price charts change at the same time. Stakeholders can contact the ADC to provide any feedback, including if they consider there are reasons to rebase the index year used for specific products. The TRINDEX methodology, and a contact point for further stakeholder feedback, can be accessed on the same webpage.

Alan Gibbs from BlueScope and Travis Wacey from the Construction, Forestry, Maritime, Mining and Energy Union congratulated the ADC on the new TRINDEX format which made it much more user friendly for stakeholders. In response to a question from Mr Wacey, the ADC advised that website analytics indicated there was a significant cohort of users of the TRINDEX, suggesting it was being utilised by stakeholders.

Agenda item 4 – Compliance update

Anita Langford, Assistant Secretary of the Trusted Trader and Trade Compliance Branch in the Australian Border Force noted she had recently joined the branch and looked forward to working with ITRF members. The ABF advised that Customs Compliance had been transferred from Port Operation Command to the Customs Group in February 2020 to meet the ABF Commissioner's intent to deliver on key operational priorities, particularly relating to trade enforcement. Customs Compliance operates as a national program delivered through a network of regional teams, and works closely with Cargo Industry in an often overt manner to deliver pre- and post- border compliance activity prioritised based on risk and evidence based assessments. During the 2019-20 financial year to the end of April 2020, Trusted Trader and Trade Compliance Branch undertook 49 targeted activities in relation to the enforcement of trade remedy measures, with a focus on aluminium extrusions, clear float glass, hollow structural sections/line pipe of a kind suitable for use in gas and oil pipelines, wire rope and steel pallet racking. As a result, the ABF detected and corrected misstatements relating to the identification of around \$300,732 in standard duty, \$5.76 million in dumping duty, \$1.77 million in countervailing duty and \$782,899 in GST – for a total of around \$8.6 million. Seven infringement notices were issued to encourage improved future voluntary compliance for around \$73,666.

In response to a question from Mr Wacey, the ABF advised that infringement notices were issued to modify behaviour and encourage improved future voluntary compliance. The Infringement Notice Scheme was applied on a case by case basis commensurate to the offending detected and considering mitigating and contributing factors, and was not applied as a percentage of short-paid revenue. In response to a question from Matt Condon from InfraBuild, the ABF advised that the figures provided

relating to ABF enforcement action would be included in the next Goods Compliance Update, which would be published soon.

Agenda item 5 – ITRF Evaluation

Dr Abrie Swanepoel, A/g General Manager of the department's Insights and Evaluation Branch advised that evaluation is standard practice for the department, and that periodic evaluation ensures a clearer understanding of how initiatives are working and how they could be improved. As the ITRF has been operational since 2013 without review, a decision was made in 2019 by the department, in collaboration with the Minister, that it was appropriate to evaluate the ITRF to ensure it is meeting its legislative intent and that the legislation itself is still relevant. The evaluation is also timely to ensure that the ITRF remains fit for purpose in the economic recovery phase of COVID-19. The evaluation will assess the purpose, membership, operation and legislative framework of the ITRF over the period 2011 to 2019. Dr Swanepoel thanked members who had completed the evaluation survey and noted that there would also be some structured interviews with members to inform the evaluation. The evaluation is guided by a Reference Group consisting of: Dr Swanepoel; Martin Squire, General Manager, Trade and International Branch; and Nathan Zhivov, General Manger, Economic and Strategic Services Branch, Anti-Dumping Commission. The Reference Group is expected to discuss preliminary findings in mid-July and review a draft report in late August 2020.

In response to a question from Mr Condon, Dr Swanepoel advised that the final report will need to be endorsed by the department's Programs Performance Committee as well as the Executive Board. The Commissioner noted that the report will be provided to the Minister and it will be a decision for Government what actions are then taken. In response to a question from Mr Wacey, Dr Swanepoel advised that they had over 10 survey respondents to date. The Commissioner noted that members still had time to complete the survey and provide their views, and stated that the evaluation was a timely opportunity to review how the ITRF was working.

Agenda item 6 – Digital systems

The ADC provided a presentation on its work towards an end-to-end digital system to manage its casework. Building on the efficiency improvements made since the Commission's establishment, including the new investigations model, the ADC had identified that further efficiency gains could be made by decreasing the Commission's reliance on manual systems. The ADC is seeking to modernise its service delivery by looking at options for automation and self-service including the electronic lodgement and management of applications and other documents. A fully integrated digital system could assist in delivering cases more quickly by streamlining case planning and workflow management. The ADC had partnered with the department's Digital Division for the first discovery phase of the project. The discovery would seek to understand the needs, problems and opportunities for a digital investigations management system, from the beginning to the end of a case. This would inform the development of options for progressing the design and build of a core-service investigations management system, with a business case, and evaluation framework.

The ADC noted that the discovery process would focus on understanding users of the anti-dumping system and their interactions with the investigations process, and would include a number of research activities including stakeholder interviews from mid June to end July 2020. The Digital Division of the department would be contacting ITRF members to gauge their interest in participating in the research.

Agenda item 7 – Other business (standing item)

Mr Condon asked if an update was available on reforms to the anti-dumping system. Mr Squire advised that no announcements or decisions had been made by the Government in relation to anti-dumping reforms. While the COVID-19 pandemic response had been the Government's primary focus in recent months, as government business began to return to more normal operations that would allow for consideration of reforms but any timing was a matter for the Government. Mr Squire also thanked ITRF members who had provided feedback to the Government on the impacts of COVID-19, which had informed the work of a range of Government Taskforces.

Mr Wiese asked if the ADC had lengthened its interested party questionnaires in response to the WTO A4 paper copy decision. Mr Sexton advised that the ADC had included additional questions in questionnaires in some cases to gather evidence in relation to making a proper comparison between domestic and export prices. The details of these questions were specific to the circumstances of the cases.

Mr Gibbs asked if the Commission was proceeding with the review of the application form. The ADC advised that its review of the application form, which was discussed at the previous ITRF meeting, had made good progress. Targeted consultations would no longer take place in June, as high priority tasks related to COVID-19 had impacted the availability of staff in other parts of the department to assist the review. However, consultation with ITRF members was still expected to take place later in the year.

Agenda item 8 – Next meeting and closing remarks

The Commissioner thanked members for their participation in the virtual meeting.