



**Australian Government**  
**Department of Industry,  
Innovation and Science**

Mr Wayne Poels  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
Barton ACT 2600  
Email: helpdesk-OBPR@pmc.gov.au

**Dear Mr Poels**

**REGULATORY IMPACT STATEMENT – FINAL ASSESSMENT SECOND PASS**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the proposed changes to address concerns regarding low volume exporters undermining the remedial effect of anti-dumping measures through reviews of measures (ID 22523).

The regulatory burden to business, community organisations and/or individuals has been identified by the department for each option, and quantified using the Regulatory Burden Measurement framework. Given the minor burden identified for the preferred option (Option 6), there is no proposed offset as part of the proposal.

The preferred option (Option 6) addresses the problem of allowing low volume exporters to undermine the anti-dumping system's credibility and intent. It provides legal certainty for using broader methods to determine export prices for low volume exporters. The analysis determined that this option was consistent with the principles of Australia's anti-dumping and countervailing system, whilst having a minor regulatory impact.

I am satisfied that the RIS addresses the suggestions in your letter of 7 July 2017. Specifically, the RIS now more clearly identifies the benefits and risks of each option, and allows for a more straightforward comparison between each option. The RIS also includes a more comprehensive explanation of the consultation undertaken on the proposal, and how this has impacted on the options presented. For further details on how the RIS has been developed by the department following the first pass stage, please see the attached summary.

Accordingly, I am satisfied that the RIS meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely,

A handwritten signature in blue ink that reads "Mike Lawson".

Mike Lawson  
Deputy Secretary  
Department of Industry, Innovation and Science

8 November 2017

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### **Summary of changes to *RIS – Addressing low volume exporters***

- Additional analysis has been added demonstrating the levels of dumping found to be occurring after a low volume exporter received the zero percent dumping margin. This is based on all occurrences of this since 2007.
- Additional analysis has been provided clearly identifying the expected impacts of all options on the four categories of anti-dumping stakeholders: Australian industry, Australian importers, downstream users and consumers, and foreign exporters.
- Compliance costs have been estimated for all options. Making no change to the anti-dumping system (Option 1) is estimated to introduce an additional compliance cost of \$379,000 per year.
- Additional analysis has been provided so that the benefits and risks are directly comparable between the options. A significance rating has also been provided to those benefits and risks, allowing for the options to be ranked by which has the greatest benefit. Option 6 is the most beneficial option, with benefits substantially outweighing the risks.
- Greater analysis of the risks, particularly regarding international obligations, has been provided.
- Greater detail regarding stakeholder consultation, including additional consultation undertaken since the first-pass RIS was submitted, is included. How stakeholder feedback has shaped the options has also been added.

Given the urgency at which this issue is being sought to be resolved, best practice consultation (broad consultation of all stakeholders over 30 to 60 days) has not been undertaken. As previously noted, anti-dumping stakeholders are regularly consulted. The system is long-standing and positions are generally well known. The continuous policy development and existing in-depth knowledge of stakeholder positions was fundamental to the development of the options. Whilst additional consultation would be best practice, it has not been allowed by the time constraints of this matter.

As per OBPR first-pass comments, consideration has been given as to whether there is a verified outcome in another country that can be used without additional requirements in Australia's anti-dumping system. We have determined that this approach is not suitable for an anti-dumping regime, as each jurisdiction must determine the variable factors to establish a dumping margin and impose measures. Imposing a measure based on another jurisdiction's investigation is not appropriate.