

April 28, 2020

The Hon Peter Dutton MP
Minister for Home Affairs
PO Box 6022, House of Representatives, Parliament House, Canberra ACT 2600

Dear Minister Dutton

RE: REQUEST FOR GOVERNMENT TO ENFORCE WTO RULES TO HELP FACILITATE ECONOMIC RECOVERY DURING AND AFTER CORONAVIRUS CONTAINMENT

I am writing to you, the Senator the Hon Marise Payne, the Hon Karen Andrews MP, and the Hon Ben Morton MP, on behalf of the Building Products Industry Council (BPIC)* to request that COVID-19 economic recovery efforts include measures to fix long-standing failures by previous federal Administrations to properly enforce WTO Agreement on Technical Barriers to Trade rules.

Successive calls by industry for government to clamp down on Non-Conforming Building Products (NCBPs) have been dismissed by public officials as anti-globalisation, protectionism and at odds with WTO guidelines. Warnings by industry that Australia's local manufacturing capability would shrink over time and expose the nation to a heavy reliance on imports, have been ignored.

But the COVID-19 pandemic has exposed the legitimacy of these warnings and the impoverished state of Australia's manufacturing capability compared to just 15 years ago, as well as the difficulty the country will now have in re-employing the hundreds of thousands of people put out of work by our response to the pandemic.

Further exacerbating our inability to maintain sovereign control over our product supply chains, the coronavirus pandemic has hobbled Australian industry's ability to perform regular offshore product compliance checking. With international borders closed or greatly restricted there is no ability for Australian technical experts to fly in/fly out to China and other major exporting countries to inspect products or verify testing and product compliance documentation as would normally be done. While the National Association of Testing Authorities (NATA) is instituting virtual checking and desktop document audits, these are far from rigorous conformity measures for existing certified products and do nothing to address products that have little or no conformity credentials. Therefore all materials and products imported into Australia should be treated with great caution in this period of disruption and opportunism that is likely to see a reduction in normal quality control measures.

World Trade Organisation (WTO) agreements were never intended to strip nations of their ability to maintain a competitive manufacturing base or restrict their ability to ensure product conformity. In fact WTO agreements provide at least two clear avenues for Governments to ensure they are not allowing foreign suppliers to undermine their economy. These allowances are:

- Countries can impose restrictions on trade to enable "prevention of deceptive practices and protection of human health or safety" (*Article 2.2 - WTO Agreement on Technical Barriers to Trade*).
- Procedures for conformity assessment shall be applied to products imported from other WTO members "in a manner no less favourable than that accorded to like products of national origin and to like products originating in any other country" (*Article 5.1.1 - WTO Agreement on Technical Barriers to Trade*).

Now, as we turn towards the difficult task of kick-starting Australia's economic recovery, the opportunity emerges for Government to eliminate Non-Conforming Building Products (NCBPs) from the construction industry supply chain, while working completely within existing international trade agreement rules.

Some measures that BPIC suggests the Government urgently adopt include but are not limited to:

- A ban on all building products regardless of country of origin (including Australia) at point of sale, that do not meet Australian Standards, ISO standards, WELS, WERS and other regulatory requirements.
- Fines for direct and online purchase of products that do not meet Australian Standards, ISO standards, WELS, WERS and other regulatory requirements.
- Stringent measures placed on importers to verify the testing and product compliance documentation of all imported materials and products into Australia.
- Rapid enactment of Building Product Chain of Responsibility legislation in each State and Territory.
- Fast-tracking of the Building Confidence Report recommendations endorsed by the Building Ministers Forum related to products.

The COVID-19 crisis has demonstrated the wisdom of keeping building product supply chains short and local, so as to ensure the robustness of our construction sector. Therefore BPIC is strongly of the view that the three tiers of Australian Government should ensure that COVID-19 economic recovery efforts create a level playing field for all building product suppliers. Only in this way, by properly enforcing WTO Technical Barriers to Trade rules, can we expect to support existing capacity and growth, enabling the nation to manage future economic shocks and to re-employ hundreds of thousands of workers.

BPIC thanks you for your consideration and looks forward to assisting Government in these important national security challenges. We look forward to your urgent response.

Yours sincerely,



Rodger Hills
BPIC – Executive Officer

** BPIC is the national peak body representing Australia's leading building products industries and related services with members and associated companies directly employing over 200,000 Australians with more than 470,000 employed indirectly. Their collective industries are worth over \$54B in annual production to the Australian economy.*