



Senate Economics References Committee

18 October 2016

Senator the Hon Stephen Parry
President of the Senate
Parliament House
Canberra ACT 2600

Dear Mr President,

Pursuant to Senate standing order 38(7), I present to you an interim report of the Economics References Committee's inquiry into non-conforming building products.

On 23 June 2015, the Senate referred the matter of non-conforming building products to the Economics References Committee for inquiry and report by 12 October 2015. The Senate granted the committee a number of extensions to report. At the dissolution of the Senate and the House of Representatives on 9 May 2016 for a general election on 2 July 2016, the committee was due to report on 30 September 2016. On 11 October 2016, the Senate agreed to the committee's recommendation that this inquiry be re-adopted in the 45th Parliament. The committee is to report by 25 May 2017.

Under its terms of reference, the committee was to give particular reference to:

- (a) the economic impact of non-conforming building products on the Australian building and construction industry;
- (b) the impact of non-conforming building products on:
 - (i) industry supply chains, including importers, manufacturers and fabricators,
 - (ii) workplace safety and any associated risks,
 - (iii) costs passed on to customers, including any insurance and compliance costs, and
 - (iv) the overall quality of Australian buildings;
- (c) possible improvements to the current regulatory frameworks for ensuring that building products conform to Australian standards, with particular reference to the effectiveness of:
 - (i) policing and enforcement of existing regulations,
 - (ii) independent verification and assessment systems,
 - (iii) surveillance and screening of imported building products, and
 - (iv) restrictions and penalties imposed on non-conforming building products; and
- (d) any other related matters.

The committee tabled an interim report, *Safety—'not a matter of good luck'*, on 4 May 2016.

Conduct of inquiry

The committee advertised the inquiry on its website and in *The Australian*. It also wrote to relevant stakeholders and interested parties inviting submissions.

The committee received 76 submissions. The submissions range from government departments and agencies, peak industry bodies, unions, individuals working in the industry and consumers. The committee held public

hearings in Canberra on 13 November 2015 and in Melbourne on 15 February 2016. All correspondence and evidence received for this inquiry in the 44th Parliament has been made available to the new committee.

Additional terms of reference—*asbestos*

Over the last year there have been a number of cases where asbestos has been found in imported building products. On 13 October 2016, as part of its broader inquiry, the committee resolved to inquire into the illegal importation of products containing asbestos. The committee adopted the following terms of reference for this part of the inquiry:

The illegal importation of products containing asbestos and its impact on the health and safety of the Australian community, with particular reference to:

- (a) the prevalence and sources of illegally imported products containing asbestos;
- (b) the effect of illegally imported products containing asbestos on:
 - (i) industry supply chains, including importers, manufacturers and fabricators, and
 - (ii) workplace and public safety and any associated risks;
- (c) possible improvements to the current regulatory frameworks for ensuring products containing asbestos are not illegally imported to Australia, with particular reference to the effectiveness of:
 - (iii) policing, enforcement, surveillance and screening of imported products, including restrictions and penalties imposed on importers and end users of products containing asbestos;
 - (iv) preventing exposure and protecting the health and safety of workers and other people affected by the illegal importation of products containing asbestos,
 - (v) establishing responsibility for remediation of sites where illegally imported products containing asbestos has been found;
 - (vi) coordination between Commonwealth, state and territory governments and the role of the Australian Government in coordinating a strategic approach to preventing the importation of products containing asbestos;
- (d) any other related matters.

As the original closing date for the inquiry's submissions was 3 August 2015, the committee resolved to re-open submissions and set down 1 December 2016 as the closing date for submissions. The committee determined that it would report on this matter by 28 April 2017.

Yours sincerely

Senator Chris Ketter
Chair