

## Submission 86 - Electrical Trades Union

Electrical Trades Union made submission 14 to the inquiry into non-conforming building products in the 44th Parliament.

This document is intended as a supplementary submission to the original submission 14.

All submissions received in the 44th Parliament can be accessed via the following link:

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Non-conforming\\_products/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Non-conforming_products/Submissions)



## **SUBMISSION**

### **SENATE STANDING COMMITTEES ON ECONOMIC**

**Inquiry into Non-Conforming Building Products:  
*Asbestos***

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**THE ELECTRICAL TRADES UNION OF AUSTRALIA**

**1 DECEMBER 2016**

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## **1. Executive Summary**

The Electrical Trades Union (ETU) is the Electrical, Energy and Services Division of the Communications, Electrical, Electronic, Energy, Information, Postal, plumbing and Allied Services Union of Australia (CEPU). The ETU represents approximately 65,000 electrical and electronic workers around the country and the CEPU represents approximately over 100,000 workers nationally, making us one of the largest trade unions in Australia.

The ETU again welcomes the opportunity to submit to the Committee a further submission in relation to the inquiry into non-conforming building products specific to asbestos (Appendix A). Australia was one of the highest users per capita in the world up until the mid-1980s, with approximately one third of all homes built in Australia contain asbestos products, and such widespread use of asbestos has left a deadly legacy. Unfortunately, despite the implementation of a national ban in 2003, asbestos is still being imported into Australia in breach of our laws and adding to the already considerable public health risk presented by asbestos.

We have been concerned about the prevalence of the importation of non-conforming building products for some time, and have been very active along with other unions as part of the Asian Ban Asbestos Network<sup>1</sup> and working with asbestos safety organisations and regulators such as the Asbestos Safety and Eradication Agency working on campaigns and educating ETU members and the community on the awareness and impacts of exposure to asbestos. However, the recent rise in reports of the use of imported goods containing asbestos, particularly in the construction sector, is of great alarm to us and impacts our membership directly.

It is evident that despite the critical effect of asbestos exposure to public health and safety, it remains a cheap and effective material for use in a wide range of goods. Asbestos continues to be widely used internationally, and is incorporated in goods manufactured by Australia's largest trading partners, such as China. This is evidenced by the ever-increasing incidents of asbestos containing products in Australia, particularly in the construction sector. Clearly the current legal, regulatory, policy and enforcement regimes

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<sup>1</sup> <http://anroev.org/aban/>

are not effective. The government must undertake reforms that increase detection and prosecution of those who flaunt Australian standards by continuing to bring non-conforming products into Australia. Only by reforming the policy and regulatory environments and providing appropriate resourcing to ensure meaningful inspection and compliance activities will we be able to take a long overdue tougher stance on procedures and penalties for those who offend and import products containing asbestos. Indeed, action must be taken not only domestically but internationally to address issues with asbestos materials and products coming through international supply chains on their way into Australia. To this end the government must push to engage on south east Asian regional and global campaigns work towards a global asbestos ban.

## **2. Recommendations**

In order to take meaningful and decisive action, we make the following recommendations to the Committee for inclusion in the Committee's report.

The recommendations contained in this submission are specific to the additional terms of reference in relation to asbestos and are made further to recommendations contained in ETU Australia's previous submission to this Inquiry in July 2015.

### Recommendation 1

An urgent audit of international trade agreements, such as the China Australia Free Trade Agreement, be undertaken in order to identify if these agreements are increasing the proliferation of non-conforming products being imported into Australia. This includes assessing the non-conforming building products such as products containing asbestos.

### Recommendation 2

Review whether the penalties currently available have been useful to deter importers and suppliers of goods containing asbestos. This may include 'blacklisting' or placing a ban on companies sending any products to Australia.

### Recommendation 3

Enhance international cooperation (both businesses and governments) by providing information to overseas manufacturers and suppliers on standards and implication of importing asbestos containing goods.

#### Recommendation 4

An independent review of legislation and regulations governing the importation of asbestos and to assess the flaws of the border control procedures.

#### Recommendation 5

Funding and resources into research and development of safe asbestos alternatives with a focus on driving growth in the manufacturing industry in Australia.

#### Recommendation 6

Independent research and advice be undertaken into the connection and the regulatory framework of how free trade agreements are drafted and compare how non-conforming building products, including asbestos materials, are imported through supply chains that operate under the auspices of these agreements.

#### Recommendation 7

Priority be given to the prevention of the importation of goods with asbestos from neighboring countries in the Pacific and South East Asia that form part of asbestos importation supply chains.

#### Recommendation 8

Additional resources to inspection and standards agencies, including Customs, to enable a more effective inspection and testing audit regime.

### **3. The prevalence and sources of illegally imported products containing asbestos**

There is no doubt that there are a significant number of challenges in establishing and maintaining effective asbestos border control and regulatory framework.

One of the key issues is that suppliers of asbestos products often supply to multiple international markets, each with differing asbestos standards and regulation, but suppliers will simply supply the same product to all markets rather than incur the additional costs

that would come with producing products that are tailored to comply to each specific jurisdiction. For example, Australia's prohibition relates to all forms of asbestos, but chrysotile is not internationally recognized as a dangerous form of asbestos. Countries that mine chrysotile erroneously maintain that it is safe, and continue to export it to a number of other countries, where it is still widely used in products that supply a range of industries.<sup>2</sup>

One mechanism that has the potential to make importing illegal asbestos products easier and in larger quantities is international trade agreements.

The ETU campaigned with other unions against the China-Australia Free Trade Agreement (CHAFTA) which came into force on 20 December 2015. Besides issues with this agreement, such as enabling the government of China to put workers on sites in Australia without adequate training and no knowledge of safety requirements (placing both workers and the public at serious risk), this free trade agreement is a potential enabler for non-conforming building products to enter the construction market in Australia. The Asbestos Council of Victoria has warned that there is concern with CHAFTA that "we're going to see more of this sort of thing happening in the future".<sup>3</sup> China has been described recently by industry as the 'world champion' and 'market leader' when it comes to producing non-conforming goods'.<sup>4</sup>

There has been a spike in imports from China of materials with asbestos including plasterboard, engine and exhaust gaskets in China made cars and more recent cases of asbestos-tainted imported toys.<sup>5</sup> China is the second largest producer of products with asbestos and border security officials have admitted that they are unable to stop the flood of China imports laced with it. Trade agreements (not just CHAFTA) need to be assessed to see if products have been imported to Australia (under these agreements) have been compliant to Australian Standards.

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<sup>2</sup> <http://www.mesothelioma.com/asbestos-exposure/what-is-asbestos.htm#ixzz41wY1TvH5>

<sup>3</sup> Win News Gippsland, September 9, available online @

<https://www.facebook.com/WINNewsGippsland/videos/941337299270363/>

<sup>4</sup> See: Madeleine Morris, ABC, June 24, 730 report, 'The battle to keep potentially lethal building products out of Australia', available online @ <http://www.abc.net.au/7.30/content/2015/s4261394.htm>

<sup>5</sup> Elizabeth Colman, 'Asbestos-tainted toys to trigger crackdown on importers', *The Australian*, 21/07/15, available online @ [www.theaustralian.com.au/.../asbestos.../story-fn59niix-1227449777004](http://www.theaustralian.com.au/.../asbestos.../story-fn59niix-1227449777004)

**Recommendation 1** An urgent audit of international trade agreements, such as the China Australia Free Trade Agreement, be undertaken in order to identify if these agreements are increasing the proliferation of non-conforming products being imported into Australia. This includes assessing the non-conforming building products such as products containing asbestos.

### **Case Study 1 – Ateco Automotive<sup>6</sup>**

In mid-2012, Ateco Automotive had recalled 25,000 Great Wall and Chery Chinese cars after asbestos was in the engine and exhaust gaskets. The company stated that the materials did not present any risk to consumers during the use of the vehicle. However, there were still some groups that were at high risk of exposure to the asbestos. The biggest risk was to any workers, such as mechanics or auto electricians, who worked on the vehicles in question here in Australia. Workers who are responsible for the repairs of vehicles and machinery containing asbestos are at higher risk of encountering the material in a more friable state, increasing the likelihood that the toxins of asbestos will be inhaled.

### **Case study 2 – Curtis Island (QLD)**

In 2012, asbestos was found in pre-assembled structures imported from Indonesia for installation at local building sites<sup>7</sup>. This alert was issued after the union learnt that the U.S. engineering giant Bechtel Construction Pty Ltd<sup>8</sup> site on Curtis Island near Gladstone, Queensland, had imported sheds built from converted shipping containers. They were assembled in Indonesia and supplied by the international company METITO Pty Ltd to house the Motor Control Centres for the Sewage Treatment Plant. The internal linings of the sheds consisted of asbestos cement sheeting/tiles on the walls, floors and ceilings. This was confirmed by testing.

The asbestos in these sheds came to light after a fire in one of the switch boards caused the sheeting to be broken and exposed the fibres to the workers involved. There was great

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<sup>6</sup> <http://www.abc.net.au/news/2012-08-15/chinese-cars-recalled-over-asbestos-concerns/4199630>

<sup>7</sup> <http://www.abc.net.au/news/2012-08-03/union-threatens-legal-stoush-over-asbestos-pay-row/4174160>

<sup>8</sup> Bechtel Corporation (Bechtel Group) was founded by Warren Bechtel in the early 1900s and is now the largest construction and engineering company in the United States, ranking as the 5th-largest privately owned company in the U.S. Bechtel was contracted to build several liquefied natural gas (LNG) plants on Curtis Island located north of Gladstone in Central Queensland, Australia.



concern as nearly 90 ETU members (electricians) would have been exposed during the fit-out of these sheds before the alarm was raised. An immediate health and safety stop work directive was issued. The ETU Queensland state secretary of QLD slammed Bechtel for the serious breach of health and safety.<sup>9</sup>

### **Case Study 3 – Ausgrid (NSW)**

Ausgrid, NSW electrical distribution company, failed to deliver on a 2013 agreement to identify and eliminate asbestos from all the substations and other facilities. The Secretary of the NSW ETU Branch wrote to Ausgrid raising concerns at the lack of progress on asbestos remediation and removal at Ausgrid as well as not fulfilling the other undertakings associated with Ausgrid.

Despite 29 Ausgrid employees being among 42 electricity workers diagnosed with asbestos-related disease between 2002 and 2012, there remained huge amounts of asbestos in the Ausgrid facilities and much of it is in friable condition.



*Electrical switchgear equipment inside an Ausgrid substation*

Then in April 2016, it was reported that nearly a thousand electrical panels containing asbestos had been installed at substations across Sydney and surrounds (See Table A),

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<sup>9</sup><http://www.etu.org.au/news/row-over-asbestos-exposure-continues-bechtel-refusing-pay-time-lostsee-latest-media-here>

putting hundreds of Ausgrid workers at risk.<sup>10</sup> The panels, manufactured in Malaysia, ‘somehow eluded customs’ – a common yet disturbing occurrence. Ausgrid’s tests revealed the presence of not only white asbestos (chrysotile) but also the more toxic brown asbestos (amosite). By the time it was identified workers had been exposed for months, perhaps years as the panels has been installed at 51 sites between 2007 and 2014. The ETU had raised concerns regarding asbestos in these panels years ago. Reports at the time stated that Ausgrid plans to leave the panels in place as it is deemed to be too expensive to remove.

**Table A: List of substations where asbestos- containing switchboards were installed between 2007 and 2014**

<b>Sydney</b>	<i>Bankstown, Balgowlah North, Berowra, Camperdown, Croydon, Engadine, Epping, Galston, Gwawley Bay, Hurstville North, Kingsford, Kogarah, Leichhardt, Lindfield, Macquarie Park, Mona Vale, Mortdale, North Sydney (Bradfield Park and North Pylon), Port Botany, Potts Hill, Pyrmont (Sydney Casino), Rose Bay, Sans Souci, St Leonards (Royal North Shore Hospital), Top Ryde, Turramurra and Waverley.</i>
<b>Newcastle/Hunter</b>	<i>Aberdeen, Adamstown, Brandy Hill, Broadmeadow, Charlestown, Croudace Bay, Jesmond, Kurri, Maitland, Mayfield West, Medowie, Morisset, Muswellbrook, Rathmines, Raymond Terrace, Rothbury, Scone, Tanilba Bay, Tomago and Tomaree.</i>
<b>Central Coast</b>	<i>Avoca, Empire Bay, Lake Munmorah, Long Jetty, Berkeley Vale and Wamberal.</i>

<sup>10</sup> <https://au.news.yahoo.com/nsw/a/31354646/this-is-a-death-sentence-for-those-workers-hundreds-of-ausgrid-employees-exposed-to-asbestos-in-substations-across-sydney/#page1>

#### **Case Study 4 – Robin Johnson Engineering <sup>11</sup> (VIC and SA)**

In December 2015, testing results found that four new electrical tram substations built in Melbourne had asbestos flooring which was imported from China. Yara Trams was alerted about the illegal presence and contacted Siemens, who was contracted to build the substations. Siemen subcontracted the work to Robin Johnson Engineering Pty Ltd, an Adelaide based company.

Robin Johnson Engineering claimed that they were deceived by the Chinese supplier because the supplier provided documentation stating that the flooring material was free from asbestos. It was later discovered that Robin Johnson Engineering also used the same material imported from China for the flooring of two electrical substations in South Australia.<sup>12</sup>

The Victorian ETU Branch<sup>13</sup> and the ETU National Office<sup>14</sup> sent a notice to all ETU members about the risks associated with switch rooms and other sites around Australia, supplied by Robin Johnson Engineering, which may have contained the imported asbestos contaminated cement floor sheeting.



*Electrical substation next to SA's Seaford railway line where Robin Johnson Engineering used asbestos containing material for the flooring. (ABC News)*

<sup>11</sup> <http://www.abc.net.au/news/2016-02-14/australian-building-sites-contaminated-with-chinese-asbestos/7166674>

<sup>12</sup> <http://www.abc.net.au/news/2016-01-25/adelaide-seaford-railway-line-asbestos-controversy/7113464>

<sup>13</sup> [https://www.etu Vic.com.au/Documents/OHS/OHS\\_Alert\\_48\\_Robin\\_Johnson\\_Asbestos.pdf](https://www.etu Vic.com.au/Documents/OHS/OHS_Alert_48_Robin_Johnson_Asbestos.pdf)

<sup>14</sup> <http://www.etunational.asn.au/etu/news-media?id=141>

### **Case study 5 – Yuanda (QLD and WA)**

Yuanda<sup>15</sup> had supplied materials to 69 major building and construction sites across Australia. These projects include government-owned projects such as the Queensland Children’s Hospital, the Gold Coast University Hospital, Fiona Stanley Hospital and the Perth Stadium in Australia. Yuanda was also involved in the construction of the iconic “bird’s nest: national stadium in Beijing, which hosted the 2008 Olympic games.

However, in July 2016, asbestos containing products were reported to be identified in two of Australia’s major building projects on a Brisbane office tower<sup>16</sup> and the Perth Children’s Hospital where Yuanda material was used.<sup>17</sup> This is not to suggest that all Yuanda material is riddled with asbestos, but merely asks the question to assess the risk of its traces at these completed projects. This also questions the risk of exposure to scores of construction workers who worked on these projects and the general community.

John Holland, who was the project’s principal contractor for the Perth Children’s Hospital, imported the roof panels from Yuanda. The union questioned why John Holland did not stop work on the hospital project when it was known and discovered earlier that Yuanda’s products were contaminated with asbestos. The Building Commissioner Mr Peter Gow, highlighted that there were flaws in Yuanda’s procurement processes in China and that John Holland’s response to the detection of asbestos had “deficiencies in risk assessment processes to control dust exposure for workers.”<sup>18</sup>

Yuanda have acknowledged the findings but concluded that the product containing asbestos that was supplied to it without its knowledge. This is a very worrying comment from Yuanda.

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<sup>15</sup> Yuanda Australia is a subsidiary of Yuanda China Holdings limited, one of the world's largest manufacturers and installers of primary construction-related products. Formed in 1993, it is listed on the Hong Kong Stock Exchange with a net asset value of \$622 million (RMB 3.1b) and has 11 Chinese subsidiary companies and 18 international.

<sup>16</sup> Klingerit 200 gasket

<sup>17</sup> (Asbestos cement sheet roofing panels) <http://www.abc.net.au/news/2016-07-14/asbestos-found-in-perth-childrens-hospital-roof-panels/7628108>

<sup>18</sup> <http://www.theaustralian.com.au/business/chinese-company-yuanda-blamed-for-hospital-asbestos/news-story/78ba4e3eed9138783501b2f47db4a413> , Audit of Yuanda building products  
<<http://www.commerce.wa.gov.au/building-commission/audit-yuanda-building-products>>

**4. 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**

Regardless that Australia has had a ban on the prohibited importation of asbestos via regulations and over a decade ago,<sup>19</sup> goods containing asbestos or asbestos containing material is still being imported into Australia because asbestos is still widely used in some countries. This illegal importation is a result of unreliable certification being provided from overseas manufacturers. Furthermore, as the Australian manufacturing industry winds down, the building sector relies on foreign and cheaper resources. Also, the asbestos industry aggressively markets and disseminate information on health impacts in the developing world, where sales remain strong and worker protections are too often weak.<sup>20</sup>

An exacerbating factor is that some countries regard products to be ‘asbestos free’ if they contain asbestos below a certain level. Australian importers bringing need to understand that the guidelines and standards are different and much stricter when defining if products are ‘containing asbestos’.

The use of products containing asbestos in the construction sector places workers and/or members of the public at risk to asbestos exposure. Particularly, when the asbestos-containing material is cut, drilled or sanded into. Workplace safety authorities have continued to monitor many building sites across Australia where contaminated building products have been used. The Asbestos Safety and Eradication Agency Chief Executive Officer, Mr Peter Tighe, has said that these initial discoveries represent the ‘tip of the iceberg’<sup>21</sup> of an emerging problem of products containing asbestos being imported into Australia. Also, as the local manufacturing sector continues to decline, there is an increased reliance on foreign sourced building products.

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<sup>19</sup> *Customs (Prohibited Imports) Regulations 1956*

<sup>20</sup> Example of developed nation lobbying for the mining and production of asbestos: In Canada, the Chrysotile Institute use to defend and promote the use of asbestos internationally. They modelled on the Tobacco Institute to disseminate research claiming that chrysotile asbestos could be used und safe and controlled conditions and not pose any threat to one’s health. <<http://www.bwint.org/default.asp?index=4167>>

<sup>21</sup> <http://www.abc.net.au/worldtoday/content/2014/s4061015.htm>

The cost of treating asbestos diseases far surpasses the cost of producing asbestos materials. New data, commissioned by the World Health Organisation, shows that for every dollar spent on the use of asbestos four times that is spent on the health costs to treat asbestos-related diseases.<sup>22</sup> This has led researchers to call for a global ban on the mining, production and use of asbestos. The inquiry should take this data into consideration when concluding findings about the economic and health impact of asbestos and how the illegal importation of this product can have on the work force and greater community.

The current regulations enable those who breach the law and import asbestos containing products are subjected to penalties. These penalties include fines up to \$180,000 for individuals or three times the value of the goods, whichever is the greater.<sup>23</sup> Companies can face fines of up to \$900,000 or three times the value of the goods.<sup>24</sup> Given the continued and apparently increasing incidences of asbestos, we contend that these fines have not been an effective deterrent. More needs to be done to improve the penalty system to deter those who import or supply goods with asbestos.

**Recommendation 2** Review whether the penalties currently available have been useful to deter importers and suppliers of goods containing asbestos. This may include 'blacklisting' or placing a ban on companies sending any products to Australia.

It is evident that certificates from overseas manufacturers cannot always be relied upon and that increased surveillance and screening of imported building products is vital. Given the case studies provided, we recommend the inquiry to consider ways how the government can work with manufacturers and suppliers when preparing to import to Australia. Since the ban on the importation of products containing asbestos, it appears there are significant flaws with the current processes since ETU members and the greater community have been exposed to such a dangerous fibre.

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<sup>22</sup> <http://www.abc.net.au/worldtoday/content/2016/s4443124.htm>

<sup>23</sup> *Customs Act 1901*(Cth)

<sup>24</sup> *Crimes Act 1914* (Cth)

**Recommendation 3** Enhance international cooperation (both businesses and governments) by providing information to overseas manufacturers and suppliers on standards and implication of importing asbestos containing goods.

An independent review<sup>25</sup> has found that the Department of Immigration and Border Protection's overall management of asbestos border control is effective. The review analyzed the current end to end border process for asbestos and found that this management was effective; but identified opportunities for organizational and technical improvements.

We reject the findings of this non-independent report. We do this on the basis of the clear evidence of increasing incidences of asbestos products illegally entering Australia and that Federal authorities have prosecuted just two companies<sup>26</sup> who were found to have imported asbestos riddled material since 2008 and only extracted \$64,000 in fines, despite the various products in the Australian market slipping pass the boarders.<sup>27</sup>

**Recommendation 4** ETU recommends an independent review the legislation and regulations governing the importation of asbestos and to assess the flaws of the border control procedures.

##### **5. Possible improvements to the current regulatory frameworks for ensuring products containing asbestos are not illegally imported into Australia**

The Government needs to urgently find ways to support and invigorate the ailing manufacturing sector in Australia. One way to achieve this is to support research and development of consider safer, cheaper and more readily available alternatives to asbestos. This could include further research into identifying safer and environmentally friendly alternatives. Already suggested substitutes include cellulose fibre, thermoset plastic flour and amorphous silica fabric.<sup>28</sup> Some of these substitutes have been already used in the electrical and aerospace industries and the construction sector. However, the remaining

<sup>25</sup> <https://www.border.gov.au/ReportsandPublications/Documents/reviews-and-inquiries/asbestos-importation-review.pdf>

<sup>26</sup> one involving Chinese machinery, the other industrial equipment from Vietnam

<sup>27</sup> <http://www.theaustralian.com.au/news/nation/asbestos-contamination-2-importers-charged-in-8-years/news-story/e2c3ae3e82678fca1c594f2c711a8d12>

<sup>28</sup> <https://www.airsafe.net.au/news/asbestos-substitute-materials-building-safer-future>

areas of studies include durability, toxicity, and production technology. Such support will drive jobs and knowledge growth in a sector that has suffered greatly in recent years.

**Recommendation 5** Funding and resources into research and development of safe asbestos alternatives with a focus on driving growth in the manufacturing industry in Australia.

As mentioned earlier, CHAFTA<sup>29</sup> was a poorly negotiated agreement between Australia and China, which greatly benefits China. The agreement removes safety standards in building material importation for projects and over the course of the year since the agreement was signed, there has been various asbestos riddled material being reported. Furthermore, the government merely lists asbestos in CHAFTA because it has a harmonized system code.<sup>30</sup>

In our view, the provisions in CHAFTA do nothing to deter or decrease the importation of asbestos, indeed it has the opposite effect of making it easier to import asbestos products from China due to the increased supply chains and lighter regulation pathways that are opened up under the agreement.

It would have been in the best interest of the Australian public to include further mechanisms to ensure products imported from China does not contain any asbestos since a large majority of products riddled in asbestos is from China.

It is clear that the inquiry should advocate for the government or an independent body to research the connection and regulatory framework between free trade agreements and the importation of non-conforming building products including items containing asbestos.

**Recommendation 6** Independent research and advice be undertaken into the connection and the regulatory framework of how free trade agreements are

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<sup>29</sup> As an example. Other free trade agreements to consider include the Australia- India Comprehensive Economic Cooperation Agreement. It must be noted that India is also one of the world's biggest manufacturers of products containing asbestos <http://dfat.gov.au/trade/agreements/aifta/pages/australia-india-comprehensive-economic-cooperation-agreement.aspx>

<sup>30</sup> Page 2 <https://dfat.gov.au/trade/agreements/chafta/fact-sheets/Documents/chafta-myths-versus-realities.pdf>



drafted and compare how non-conforming building products, including asbestos materials, are imported through supply chains that operate under the auspices of these agreements.

Despite asbestos being banned in Australia, there are many countries across the world that continues to use the material as part of everyday products. White asbestos is still mined in parts of Russia, Kazakhstan, Brazil, China, India and, up until 2012, in Canada. These countries also make up the largest exporters of asbestos and present difficult challenges for Australian business and consumers importing foreign products.<sup>31</sup>

Only recently in October 2016, New Zealand joined Australia and 50 other countries around the world in the banning of the importation of goods containing asbestos. This a great step for the nation of New Zealand, but the Australian government needs to liaise with neighboring Pacific nations as they have no policy preventing the use and importation of asbestos.<sup>32</sup>

Over the course of time since the ban of the importation of asbestos, it is evident that there are significant holes in the system which is facilitating the importation of goods containing asbestos. Reflecting on the case studies provided in this submission, if the specification calls for material from one supplier to be used and the procurement company sources from a different supplier, then it would seem to us that the procurement company should bear responsibility as the goods supplied did not meet the contract specifications and the legal requirements in Australia.

However, it was reported that the contaminated panels from Yuanda at the Perth Children's Hospital were approved as asbestos free, on two separate occasions. The first test was by an independent company in China and the second one by John Holland in 2013. Both test results were negative. This bares the question about the importance of reviewing what is going wrong in the supply chain. It is understood that the responsibility lies with the importer for ensuring goods do not contain asbestos prior to importation. However, globalization has increased the complexity of the supply chain with multiple points of manufacturing.

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<sup>31</sup> <https://www.asbestos.com/mesothelioma/worldwide.php>

<sup>32</sup> Eg <http://www.abc.net.au/news/2015-03-20/rescuers-remove-asbestos-from-port-vila's-central-hospital/6336666>

We suggest a South East Asian regional campaign, in hand with and to support our neighboring countries to campaign against the importation and production of goods with asbestos. Furthermore, consider further research and development in to finding more cost effective and a replacement for asbestos.

We further recommend to the inquiry that the government broadens the Australian Border Patrol power to test for asbestos, regardless if the certificates and documentations suggest that the products is asbestos free. All high-risk products should be subjected testing for traces of asbestos.

**Recommendation 7** Priority be given to the prevention of the importation of goods with asbestos from neighboring countries in the Pacific and South East Asia that form part of asbestos importation supply chains.

**Recommendation 8** Additional resources to inspection and standards agencies, including Customs, to enable a more effective inspection and testing audit regime.

## **Appendix A - Terms of Reference**

On 23 June 2015, the Senate referred an inquiry into non-conforming building products to the Senate Economics References Committee for inquiry, with 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.

### ***Additional terms of reference—*asbestos****

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 determined that it would report on this matter by 28 April 2017. The committee adopted the following additional 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:
  - i. policing, enforcement, surveillance and screening of imported products, including restrictions and penalties imposed on importers and end users of products containing asbestos;
  - ii. preventing exposure and protecting the health and safety of workers and other people affected by the illegal importation of products containing asbestos,
  - iii. establishing responsibility for remediation of sites where illegally imported products containing asbestos has been found;
  - iv. 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.