

2010-2011-2012-2013

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

Fair Trade (Australian Standards) Bill 2013

EXPLANATORY MEMORANDUM

(Circulated by authority of Senator John Madigan, DLP Senator for Victoria)

Fair Trade (Australian Standards) Bill 2013

OUTLINE

The Fair Trade (Australian Standards) Bill 2013 is about increasing the standards of products sold on the Australian market in a fair and reasonable way.

The Bill will require Australia's trading partners to ensure that companies that export goods to Australia take responsibility for ensuring that their manufactured goods meet Australian Standards prior to being sold on the Australian market. The requirement will require the Minister to ensure that appropriate requirements are included in any trade agreement that Australia enters into with another country. This Bill has been written to protect the Australian consumer from products which do not meet Australian standards and have been known to risk peoples' lives.

In the media in recent months, we have been inundated with examples of products being imported from overseas that do not meet Australian standards, yet they are not covered under the ACCC's area of authority.

This bill creates a holistic solution, which will ensure responsibility and accountability so that standards are enforced across borders, with the assistance of foreign diplomatic assistance at the highest level.

The executive director of the Housing Industry Association of the ACT pointed out that even when products are slightly below standard, they potentially pose a more serious risk, stating: "It's very hard to test steel and timber and glass after it's been manufactured". This Bill seeks to leave the onus of assurance on the exporter, as they are much closer to the beginning of how the product came into formation and therefore should have a stronger understanding of whether the product would meet, or what is required to make it meet, Australian standards.

FINANCIAL IMPACT STATEMENT

The Bill has no foreseeable negative financial impact.

NOTES ON CLAUSES

Part 1

Clause 1: Short title

This clause provides that the Bill when passed may be cited as the *Fair Trade (Australian Standards) Act 2013*.

Clause 2: Commencement

This clause provides that the Bill will commence on the day it receives Royal Assent.

Clause 3: Object

This clause provides that the purpose of the Act is to encourage Australia's trading partners to ensure that goods that imported into Australia, from a country that has a trade agreement with Australia, are subject to minimum standards about the quality of those goods.

Part 2

Clause 4: Trade Agreement must include certain requirements

This clause outlines how and in what instances the Commonwealth must, through the Minister, include certain requirements about standards in trade agreements that are entered into with other countries.

Clause 5: Commonwealth must not enter into certain trade agreements

This clause provides that a Trade Agreement must comply with all applicable product standards that apply in the purchaser's country or that the selling company or entity selling the products must ensure that the goods are improved to Australian product standards.

Clause 6: Meaning of Trade Agreement

This clause outlines the definition of a Trade Agreement as being “an international agreement that the Commonwealth has, or will, enter into with the government of another country, or with the governments of a group of countries, that will abolish or decrease tariffs (or other import charges) that are levied or charged by Australia at the time goods are imported into Australia.” It also explains the different ways that Australia can enter into a trade agreement with another country.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Fair Trade (Australian Standards) Bill 2013

This Bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Bill

This Bill seeks to encourage Australia's trading partners to ensure that goods that are imported into Australia, from a country that has a trade agreement with Australia, are subject to minimum standards about the quality of those goods.

Human rights implications

There are no human rights implications.

Conclusion

The Bill does not engage the *Human Rights (Parliamentary Scrutiny) Act 2011* and therefore complies with Human Rights.