



Thursday 23 November 2000

Mr Grant Harrison
Secretary
Joint Standing Committee on Treaties
Suite R1 / 117
Parliament House
CANBERRA ACT 2600

**Australian Institute
of Steel Construction**

A.C.N. 000 973 839
A.B.N. 94 000 973 839

**Level 13, 99 Mount Street,
North Sydney NSW 2060**

**Telephone 02 9929 6666
Facsimile 02 9955 5406**

**PO Box 6366
North Sydney NSW 2059**

Dear Mr Harrison

Re: Australia's Relationship with the World Trade Organisation

Please find attached a summary document for submission to the Joint Standing Committee on Treaties concerned with Australia's relationship with the World Trade Organisation (WTO).

The Australian steel construction industry is currently campaigning to maximise the use of Australian fabricated steelwork in Australian projects, and secure government partnership in safeguarding the industry's future interests.

We urge your committee to consider the matters included in the attached document in your deliberations. We particularly seek the committee's verification of the accuracy and implications of the following assertions made recently by the Australian Government.

Firstly, the Government has asserted that due to Australia's international trade obligations with the WTO, governments at the Commonwealth, State and Territory levels are constrained from compelling major project developers to use minimum levels of Australian industry in the delivery of projects.

As the peak industry body, the Australian Institute of Steel Construction is eager for Australian steel construction suppliers to be given a "fair go" in tendering and participating in the various stages of projects.

The Queensland Government has implemented a local industry policy to ensure local companies are given full, fair and reasonable opportunity to tender for key infrastructure and resource projects being undertaken in Queensland. A key feature of this policy is the use of the Industrial Supplies Office (ISO) network to identify local companies for supply of services for projects. We would like the Federal Government to implement a similar national policy.

As an industry we are eager for the Australian Government to introduce a national requirement that **Project Impact Statements** also known as **Australian Industry Development Plans** be submitted by major project developers.

Secondly, it has been further asserted by the Government that Australia's WTO trade obligations account for the failure of Australian governments to link the provision of industry incentives and subsidies to prescribed levels of Australian participation.

This situation would not seem to make economic sense, where taxpayer subsidies flow directly out of Australia to foreign workshops, contributing to Australian unemployment, lost payroll taxes and increased welfare costs. Local content provisions must be tied to taxpayer subsidies and support to safeguard the industry's future.

I look forward to hearing from you regarding my above queries concerning Australia's obligations to the WTO, and may be contacted directly on 02 9929 6666 should you have any queries.

Yours sincerely
Australian Institute Of Steel Construction

Don McDonald
Chief Executive