



**Standards Australia Submission:  
Competition Policy Review  
June 2014**

## Summary

Standards Australia welcomes the opportunity to provide this submission to the Competition Policy Review.

Technical Standards are an important part of any discussion as regards competition policy. Technical Standards developed through a rigorous and consensus based process enable trade, support innovation and importantly allow for Australian industry to compete in global markets. This is only true with a robust, aligned and appropriately resourced and managed national standards body.

Ensuring that Australia maintains contemporary, internationally aligned technical Standards is key to the success of domestic and international trade.

Standards Australia is committed to ensuring that:

- All technical standards development work at Standards Australia is developed through our consensus-based process;
- Technical standards deliver a Net Benefit to the Australian community;
- Industry, government and consumer participants work together with us through the standards development process;
- All of our draft technical standards are released for a period of public comment that allows all affected stakeholders, including national and international market participants the opportunity to comment on and contribute to the development;
- Our catalogue of Australian Standards are internationally aligned and developed in accordance with Annex 3 to the *World Trade Organisation Agreement of Technical Barriers to Trade* - commonly referred to as the *Code of Good Practice for the Preparation, Adoption and Application of Standards*;
- We work closely with the Commonwealth in all areas of technical standards development, in particular with the Department of Industry and the Department of Foreign Affairs and Trade to ensure that our technical standards development is aligned with government policy and international trade obligations.

## Who is Standards Australia?

Standards Australia is recognised by the Commonwealth as Australia's peak standards development body. We are an independent, not-for-profit, technically-focused standards provider which is largely unacknowledged by the wider community for the work that we do in partnership with government, industry and consumer interests.

The role of Standards Australia as the peak not-for-profit national standards body has changed over time. In 2003, the activities of Standards Australia were reorganised following a number of strategic reviews including the Kean Inquiry commissioned by the Commonwealth in 1994<sup>1</sup>.

To ensure that the drivers for standards development were clear and directed towards adding net benefit to the Australian community, Standards Australia divested itself of its commercial role as a

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<sup>1</sup> Kean, Bruce *A review of the role of Standards Australia and Quality Assurance Services in Australia's technical infrastructure: strategic and international perspectives*, 1994

certifier of products and management systems<sup>2</sup> to ensure that there was no real or perceived conflict of interest.

At the same time, Standards Australia also outsourced its publishing and licensing activities.

We believe Australia's national interest is best served by a coherent and diverse standards development environment where organisations that are willing and able to resource standards development activities seek accreditation, within a defined scope, through the Accreditation Board for Standards Development Organisations (ABSDO).

Over the last 10 years, Standards Australia has undergone a significant organisational transformation. In 2006 the Productivity Commission<sup>3</sup> made a number of key recommendations which have been implemented by Standards Australia including:

- A robust and transparent project proposal process to ensure that standards developed are necessary, supported by government and other stakeholder groups, and add Net Benefit to the Australian community;
- A considerable investment in an organisational transformation program which has seen:
  - Significantly greater alignment with government and industry priorities in the work that we do in the national interest;
  - Increased attention to and alignment with international standards development activities;
  - A substantial reduction in the average project delivery time, providing a significantly greater return to the in-kind investments provided by all stakeholders, including government;
  - A strong focus on assisting in the development of cost benefit analysis for standards referenced in regulation, particularly the National Construction Code;
  - Applying organisational capital to policy and executive committees in international standards bodies, specifically the ISO and IEC.

We hold positions on the technical management boards of both the International Organization of Standardization (ISO) and International Electrotechnical Commission (IEC) and are able to directly influence strategic and technical outcomes of international standards development for Australian stakeholders.

Standards Australia plays a lead role in standards development in the Asia-Pacific, enhancing our bilateral and regional trade relations. We lead the Pacific Area Standards Congress, currently holding the position of Chair of the PASC Executive Committee, and assist the Commonwealth contribute to the Australian positions on a range of matters considered by the APEC Sub-Committee on Standards and Conformance. For example, our work in supporting APEC's Voluntary Action Plan ensures that Australia remains competitive and aligned with our APEC member economies.

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<sup>2</sup> SAI Global Limited, a company listed on the Australian Stock Exchange was established at the time of the divestment. Aside for a Publishing and Licensing Agreement, Standards Australia is not associated with SAI Global Limited.

<sup>3</sup> Productivity Commission 2006, *Standards Setting and Laboratory Accreditation* Research Report

## Developing only the standards necessary for our economy

As the peak non-government national standards body, we are conscious of ensuring that the standards developed by us are necessary, provide the right solution and are supported by industries and governments.

Standards Australia's Memorandum of Understanding with the Commonwealth provides that Standards referenced in legislation must represent minimum effective solutions, must clearly separate essential regulatory requirements from those which are not, and otherwise be developed such that the documents are appropriate to support contemporary regulatory instruments.

To ensure standards do not proliferate beyond those which are necessary, we undertake an assessment prior to commencing any development project to ensure there is:

- Appropriate scope;
- Strong support from industry, government and consumer interests;
- Demonstration that the standard will add Net Benefit to the Australian community.

Our commitment to developing performance based technical standards contributes further to economic agility which enhances our competitiveness in a globalised marketplace. The adoption of international standards removes barriers to international trade.

In this context, Standards Australia supports best practice regulatory development based on Office of Best Practice Regulation (OBPR) principles.

Standards Australia also supports the harmonisation of requirements between jurisdictions and works with governments towards achieving this outcome. Standards Australia seeks wherever possible to work with groups of Commonwealth, State and Territory regulators to promote a single national outcome. Our work with the Australian Building Codes Board is but one example, allows us to work to achieve a single set of national standards in the area of on-site building, construction and plumbing codes and standards in the context of a performance based regulatory framework.

## Ensuring currency of the standards catalogue

In 2012, Standards Australia made a commitment to review, revise, reconfirm, or withdraw all standards published more than 10 years ago.

This initiative has given us an opportunity to ensure that our catalogue is current, internationally aligned, and that the documents are not providing unnecessary burden to industry.

We are focused on maintaining a catalogue which is relevant and current to the contemporary needs of Australian society.

## Response to the Issues Paper – Regulatory Impediments to Competition

Regulatory frameworks can include technical standards, which if crafted well, can effectively achieve a range of policy outcomes.

Standards Australia as the national standards body develops voluntary standards and other documents and the use of our publications in regulation is a matter for government to determine.

Standards Australia invests heavily in communicating with governments to ensure that they understand our role in supporting the economy and technical infrastructure and works with regulatory decision makers to seek to influence the use of our publications in an appropriate way. Of course, industry will often identify issues with the proposed regulatory solutions.

Regulatory issues that rest with the States and Territories may result in the development of similar but unique regulatory models in different jurisdictions. This may lead to inefficiency. The use of technical standards in such situations, if done well, may lead to a single set of requirements across different jurisdictions.

Ensuring that standards for the safety of goods and materials, labelling arrangements, and other technical specifications are developed through a process which is open and transparent is important. One example is our work in supporting the development of the Minimum Energy Performance Standards (MEPS) in Australia. By working with government and industry Australian Standards are able to be developed using the International IEC Standards which are internationally aligned and which meet Australian policy objectives.

Ensuring that the standards development process maintains these principles is a core focus of Standards Australia and is achieved through our wide stakeholder engagement and the fundamentals of our open and transparent process.

## Contact

Standards Australia welcomes the opportunity to make this submission and would welcome the opportunity to discuss any aspect of this submission.

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