



Coles Myer Ltd.
ABN 11 004 089 936

20 April 2006

Study into Standards Setting & Accreditation
Productivity Commission
PO Box 80
Belconnen ACT 2616

To whom it may concern

RE: REVIEW OF AUSTRALIAN GOVERNMENT'S RELATIONSHIP WITH STANDARDS AUSTRALIA LIMITED AND THE NATIONAL ASSOCIATION OF TESTING AUTHORITIES, AUSTRALIA.

Thank you for the opportunity to provide comment on the above review. As a major retailer of consumer products in Australia, Coles Myer takes its consumer product safety obligations very seriously and is highly committed to providing safe quality products to our customers.

We understand that the Productivity Commission has been asked to conduct a review of the relationship between the Australian Government and Standards Australia and the National Association of Testing Authorities (NATA) and more broadly the efficiency and effectiveness of current standard setting and laboratory accreditation functions in Australia.

While the Productivity Commission has invited comment on a number of matters, our comments below focus on the three areas:

- the efficiency and effectiveness of standards setting and laboratory accreditation services in Australia;
- the role of the Government in the work of Standards Australia and NATA; and
- the importance of consistency with international standards.

THE EFFICIENCY AND EFFECTIVENESS OF STANDARDS SETTING AND LABORATORY ACCREDITATION SERVICES IN AUSTRALIA

Coles Myer is of the view that Standards Australia and NATA are working efficiently and effectively as Australia's peak bodies in standards development and laboratory accreditation.

However, we are concerned about the slowness of the current standard development process. We understand that the average length of time to

develop a standard for consumer products is around two years. Prolonged delays in standard development can mean that by the time the standard is finalised, the market has evolved in such a way that the standard may be redundant.

In terms of standard development committees, members must currently be nominated by and represent an industry body or other association (such as consumer groups or learning institutions). In our view, this arrangement could be detrimental to the standards development process if it leads to the exclusion of specialist skills and knowledge that would otherwise add significant value to the process. Accordingly, we recommend some relaxation of the standards development committee membership criteria.

THE ROLE OF THE GOVERNMENT IN THE WORK OF STANDARDS AUSTRALIA AND NATA

In relation to Government involvement in the work of Standards Australia and NATA, we consider the Government must at a minimum provide Commonwealth support to ensure that all regulatory considerations are included.

We note that Government bodies, as with other industry representatives, have every opportunity to participate directly in the development of standards or to make comment when standards are released in draft form for public comment. Failure of such Government bodies to involve themselves in standards development can result in industry developing and complying with standards that are not recognised by regulatory bodies. In these circumstances, we consider there is a need for a legislative defence regarding reasonable reliance on standards as predictors of reliable and safe industry practice.

THE IMPORTANCE OF CONSISTENCY WITH INTERNATIONAL STANDARDS

As Australia is becoming more integrated into the global economy, Coles Myer recognises the importance of having internationally recognised and consistent standards. Consistency is important as variations between domestic and international standards could create a technical barrier to trade or potentially impose significant additional costs on business and consumers. For example, if products have to be modified to meet different technical requirements in different countries. Accordingly, we support any move towards greater consistency of standard setting and laboratory accreditation with international standards.

In conclusion, we believe every opportunity through the ISO/AS/NZS harmonisation process should be explored to ensure that Australia avoids global trade restrictions where possible, unless geographical and environmental specific anomalies require stand-alone safety standards to be adopted in Australia.

Should you wish to further discuss, please contact Michael O'Connor on (03) 5246 2622.

Yours sincerely

Jodi Dixon
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