

PRODUCTIVITY COMMISSION

STANDARDS AUSTRALIA AND N.A.T.A. REVIEW

SUBMISSION

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Writer's Background

I have been a member of one or more Standards Australia (S.A.) committees since 1975 when I joined BD58 committee (then known under another title).

These committees, generally in the construction area, have covered the following:

- ✦ Thermal insulation of buildings
- ✦ Ventilation
- ✦ Energy efficiency of buildings

I have participated in this industry as a:

- ✦ Scientist who develops criteria for input into new and revised standards using validated scientific data;
- ✦ Scientist who tests materials and assemblies in accredited laboratories and field studies - full scale and model scale, including wind tunnel tests on scaled buildings and fan components; thermal performance of building assemblies; energy saving technologies;
- ✦ Developer of new commercial products which comply with standards;
- ✦ Member of various standards committees (currently 3).

My comments in this submission are focused on Standards Australia with which I have experience. There are some comments regarding NATA.

Observations of Changes in Operation of Standards Committees in the Construction Sector

In the early days I attended Standards meetings at Strathfield in Sydney. At that time the most influential members of the committee were non-commercial members: CSIRO, Building Research Station at North Ryde, universities, Commonwealth Works Department, consulting engineering firms. Work done was normally on a rational basis, strongly based on validated evidence from testing and research. There was little controversy. I was a corresponding member from 1980-1995 (while living overseas).

Committee membership included those chosen to represent the public interest. Some compensation was paid by Standards to cover some travel costs to attend meetings. This does not happen any more. There was significant representation of members of universities, government and testing organisations. This has

been diminishing, in my experience, in recent years. The trend has been for meetings to be dominated by commercial manufacturing interests.

Experience on Standards Committees in Australia

BD58 committee - Thermal Insulation

The BD58 committee has become controversial. More recently it lacks balance in representation, lacks good management of meetings, and lacks transparency. Representation is skewed resulting in large corporations dominating committee work. As a result standards reflect market share with little respect for scientific considerations or the public interest. There is no consensus. This is similar to standards committees in USA in the 1980s. Now in the US many construction related standards are controlled by professional engineering organisations such as the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. (ASHRAE), and the American Society of Civil Engineers (ASCE).

EN003 - Energy Efficiency and Thermal Performance of Buildings.

I was nominated for this committee nearly 12 months ago by the Australian Institute for Refrigeration, Air-conditioning and Heating. My membership was stalled, for unknown reasons, until after the first meeting was held in May. There have been no further meetings. A meeting was scheduled for November but postponed at the last moment after I had made travel arrangements (from US) to attend. I was told I should check regularly to find out when meetings are to be held. I have checked by email and I have not received a reply. This committee deals with very critical topical matters - energy efficiency issues, including star ratings, related to buildings.

Experience on Standards Committees in US.

Wind Loads Code

I have been a member of an extreme wind loads committee in the 1980s when I was a professor at Georgia Tech in the United States. This committee included representatives of the metal building manufacturers association (MBMA) and the cement and concrete association. Because the properties and behaviour of steel are relatively precise the MBMA fought for minimum loads that can be justified for economic building. Concrete requires a much larger safety factor, due to its variability from mix and placement, and is much heavier. The cement and concrete association fought for heavier wind loads in order to increase the costs of steel buildings. This standard is now controlled by ASCE and is much less controversial.

ASHRAE Standard S55 Committee - Thermal Environmental Conditions for Human Occupancy

I am now serving on ASHRAE Standards 55 committee. I chair their Task Group on Cooling Effects of Elevated Air Speed. There is strong pressure, by the national body, placed on the chairperson, to maintain a balance between three categories of membership (consumers, producers, and government/academic/testing bodies). This balance is regularly audited to ensure it is maintained. As a result of this mix and oversight the resulting standard reflects a much more rational (scientific) basis in the content. New standards tend to be developed more quickly and with less controversy. (A link to ASHRAE Application for membership of standards committees is included at the end of this submission). In addition ASHRAE's Commercialism Policy and Guidelines are available at:

<http://www.ashrae.org/template/AssetDetail/assetid/25331>

ANSI/AMCA Standard 230-99 Committee - Laboratory Methods of Testing Air Circulating Fans for Rating

I chair ANSI/AMCA Standard 230-99. The Air Movement and Control Association International, Inc. (AMCA) is a not-for-profit organization. This committee produces standards for circulator fans. The secretary of this committee is very careful to avoid "antitrust" concerns. Committee members are given copies of antitrust regulations regularly and this is kept in mind during discussions. For example, one is not permitted to consider or refer to the market share of various manufacturers' products in developing standards. In contrast a member of Standards Australia senior management recently stated that market share is a consideration in the composition of its committee membership. (AMCA antitrust document included).

It should be noted that the American National Standards Institute (ANSI) demands that standards developed under its umbrella (such as in conjunction with ASHRAE, ASCE, AMCA) should be reviewed every 4 years using input from users of the standards. Resulting suggestions and corrections have to be dealt with. There is no evidence that this occurs in Australia routinely.

Experience with ISO Standards

As a member of specific Australian Standards committees I review some new and revised drafts of ISO standards in order to assess their suitability for Australian conditions. Generally these are well written, unbiased and scientifically sound. Those that are focused on methodology, products or installations in the construction area tend to overlook climatic differences to

that of Europe. This makes many of them unsuitable for use in Australia. I agree with S.A. that it is difficult to influence the content of these standards if you are not part of the drafting stage. However if S.A. accepts them without modification then that is the way they should be used.

NATA

I have worked in institutions with NATA accredited laboratories but I do not have any specific comment on their success or otherwise.

I am however concerned that Australia no longer has a range of publicly accessible laboratories adequate for its testing needs. This is particularly true in the building area. I am told this is largely due to the move offshore of manufacturing, the reduced funding for government facilities and the cost of running private laboratories. There is no laboratory accredited to measure thermal performance of insulation or the emissivity of materials for radiant barriers. The government and commercial thermal laboratories have been closed or cease to be available to the public. If there are no testing facilities in Australia, materials and assemblies have to be shipped to another country to be tested. This is an added cost to products, which the consumer has to pay. This is not in the national interest, particularly when tests require long-term field installations in an Australian environment.

I recommend that a review of this situation should be undertaken if it has not been carried out already and establish where there are gaps in Australia's testing facilities and what can be done to rectify the situation, especially in critical areas.

Need for Basic Testing and Research to Support Standards Development

Outside the focus of these comments, but relevant, is that there is no longer a body of knowledge of validated test data of building materials and assemblies available for standards development. This is due to the lack of a government program of testing for the public good. Currently testing appears to be carried out ad hoc. Australia desperately needs a large number of basic building tests to be carried out to determine, for example, the effect of airflow in construction cavities, typical ventilation rates necessary and achievable in attic spaces, walls and under floors, the answers to questions on the placement and effectiveness of vapour barriers to prevent condensation in bulk insulation, and the rate of deposit of dust on insulation products and what factors influence this deposit and how it affects each type of insulation product.

QUESTIONS

Re Efficiency:

*** Does society allocate an appropriate level of resources to standard setting and laboratory accreditation services; and within this aggregate whether the mix is appropriate?**

Inadequate levels of resources are allocated to conduct basic research to support development of standards and use of accredited laboratories.

There are inadequate resources allocated to permit minimum representation of the public on standards committees. Society has its opportunities to participate in standards development, through the comment phase, but generally is unaware of this opportunity or fails to take it up. More resources and methods are needed to increase the public awareness of these comment phases and to increase their participation. People should be thanked for their submissions and given feedback on how it was treated. This is no longer happening. People feel a sense of disenfranchisement without feedback.

*** Participants may wish to nominate what they currently consider to be society's and industries' objectives for standards setting and laboratory accreditation services. Should these objectives be changed?**

Society's objectives should be to produce safer and/or more effective products and practices. These are desirable and necessary objectives. Although society can be severely impacted by these standards they do not have the expertise to participate in the process of standard development. They need representatives on standards committees who will give them feedback which they can understand and act on.

Industry's objectives are to achieve advantage in the marketplace through standards which they often try to manipulate to their advantage, and this is not necessarily in the general public's interest.

*** How well does existing government intervention address the public interest? Does it reduce efficiency and community welfare by distorting resource allocations or inhibiting competition without offsetting gains to community well being? (the role they play in addressing transaction costs facing businesses and contribution to regulatory interventions - referenced standards and assessing compliance with regulatory requirements)**

There will be times when government requests standards be developed in the public interest.

When government causes its building research and testing bodies to be disbanded or detrimentally under-funded it can no longer be considered expert

in building science and innovation and therefore its role on building related standards committees becomes purely political and superfluous.

Government contributes a portion of Standards Australia budget. It receives representation on Standards committees. Sometimes government representatives push for specific outcomes in mandatory standards. These may not be based on up-to-date scientific facts (example can be provided). In trying to achieve desired government outcomes standards development can be diverted from more urgent needs and can be unnecessarily prolonged by rightful opposition to it, wasting time and public funding. Poor quality standards result.

I have not seen a cost-benefit analysis but I fear they will be very inadequate if they are carried out without wide consultation with the stakeholders. How can you carry out a cost-benefit study unless you expect a specific outcome? This reduces innovation and new scientific considerations in the standards' contents. I have seen draft standards which would remove the viability of a whole industry in Australia simply to meet specific arbitrary, highly disputed, performance goals. Having tested the products of this industry I know they are in fact very efficient at what they do and need to continue to be a viable manufacturing industry for the benefit of Australian society. It is a matter of David versus Goliath. Cost-benefit analysis needs to be a continuing process throughout the standard development phase.

The costs related to readjusting manufacturing processes to new standards can be hundreds of thousands of dollars for manufacturers - large or small. This cost might be necessary if an existing product has failed in safety performance. The cost to everyone involved in supporting standards development is very high. As a result we need very efficient standards developing bodies, not opaque, ineptly managed bodies we are experiencing lately in S.A.

Statements and actions by government representatives sometimes inhibit competition - possibly through their ignorance (examples can be given). Government would do better to spend more of its resources to gain fundamental scientific facts through testing and research than trying to implement ill-conceived regulations through mandatory standards developed by S.A.

*** With respect to efficiency can any competitive advantage conferred on Standards Australia, NATA or any other body due to the special status given to them by the Australian government be justified?**

For Standards - No! Because they fail to use this status well (see Appendix 1). They are not transparent in their modus operandi. They exhibit poor management skills at all levels. They lack technical knowledge but attempt to interpret their standards. They act like the monopoly that they are.

For others - no answer.

*** Is the current mix of public and private involvement in standard setting and laboratory accreditation efficient?**

Not only is it not efficient for standards setting, it is neither well defined in its guidelines nor implemented in practice and this results in dominance by commercial interests. For two examples of how this balance can be better achieved I have supplied the regulations of ANSI and AMCA, in USA. This relates to how they select committee members to achieve balance and how they conduct meetings to avoid antitrust situations and conflicts of interest.

*** Are there market failures or weaknesses in standards setting and laboratory accreditation services that justify government involvement?**

Yes there are in standard setting, as outlined in other parts of this submission. Government should regularly audit and monitor the execution of its MoUs with these services and this would reduce these failures and weaknesses. The MoUs need to be reviewed. Apart from that government should merely take a seat on any committee that it has expertise in. Otherwise membership as an observer is appropriate.

Re: Effectiveness

***Are existing objectives being met? Are they being met cost effectively and are the best methods being used?**

NO. NO. NO. There is inefficient use of time for many reasons. There is poor management. There is a lack of transparency which causes friction. There is a tendency to favouritism. There is a lack of use of sub-committees which can speed up standards development. Lengthy time to produce standards and amendments ties up Standards staff in endless bureaucratic paperwork. Chairpersons can and should play an active role in achieving effective outcomes.

*** What changes to current arrangements might improve the effectiveness of the standards and conformance infrastructure?**

I suggest that all agreements that Standards Australia and NATA have with government and other organisations, particularly international organisations, be reviewed. There appears to be a view that current international agreements result in a lot of "overseas junkets" for a few people. This indicates there is little feedback to the wider community. Meeting reports should be written and made public if this representation is to continue.

Standards Australia should lose its peak status and concentrate on maintaining its publications and reviews of current standards. There will be a need to reassign the role and relationships of the Standards Accreditation Board, if possible. If not a similar body (such as the relevant government department or

CSIRO) needs to be inserted in the organisational chart below Certification Bodies. This body would accredit all standards writing bodies. A regular review would be conducted to determine the continuing roles of accredited bodies.

ISO and other bodies should be able to work with other standards writing bodies in Australia - directly. S.A. may retain some specific roles with ISO such as publicising draft ISO standards for review. Representation of S.A. people on ISO bodies should be phased out.

The government must cease encouraging other government bodies to use the Standards Australia standards writing process and permit the use of all appropriate standards writing bodies, including S.A.

The standards writing process needs to be opened up - made transparent. The public should be able to find out who is on the standards development committees, when they meet, who is the chairperson, what individual committees are working on, and read their drafts. They should know more about the nature of the work it conducts with government entities like the Australian Building Codes Board (ABCB) (p.12 of S.A. submission).

I have listed other concerns about the management of S.A. in Appendix 1. Standards Australia should be made accountable for its past errors and made to implement its existing regulations and turn over several new leaves. Standards Australia needs to implement Quality Control and Assurance procedures.

*** Do these concerns above about standards apply in other sectors?**

Building code development to some extent.

*** How much do practices and effectiveness vary between committees and sectors?**

They vary according to capability of chairpersons and project managers. If these people are capable and everything is transparent then standard development will be relatively smooth.

*** How do other standard-writing bodies or processes compare?**

In my experience some are better and some worse. However in US the move towards the use of professional and trade organisations and away from standards bodies has forced a more rational and effective focus on the job at hand. This is largely due to the professionalism and ethics under which they operate. They tend to meet twice a year, at their general meetings or conferences, and they work on their materials in between by communicating by phone and email. Commercial issues are dealt with in a rational, ethical manner.

Standard Australia's concern that there may be similar but conflicting standards developed is very unlikely to happen. If an existing standard is found to work well there is no need for another body to write something similar. It just doesn't happen.

Re: The appropriate role of the Australian government

*** What is the appropriate role of the Australian Government within current standard and accreditation processes?**

Australian government should set general priorities for standards and accreditation needs. They should seek the most efficient and effective means of setting standards by broadening the groups it works with, and by funding basic research for standards. It should continually audit and monitor the groups it works with because it is using public money.

With respect to NATA, there is a need for government to assess the type and extent of laboratories that are required for Australia's public needs. Most of those listed in the building sector seem to be concrete testing labs. There are areas for which there are no public accessible NATA accredited testing laboratory (eg. emissivity testing, thermal resistivity).

NATA should be active in liaising with foreign laboratories which are filling the gaps in testing caused by the deficiency in Australian accredited laboratories. Perhaps it already does this.

*** What difference would it make if the Government had no influence on the work of Standards Australia and NATA?**

If government is funding these organisations then they need to monitor and audit the activities. There needs to be government oversight, especially in relation to international agreements.

Without this influence there would probably be a further deterioration in the development of standards in Australia.

*** Should any of the current functions of standard setting and laboratory accreditation bodies be performed directly by government or solely by the private market?**

Standards accreditation - not directly by government but by an instrument that reports to government since there is public money and public interest involved. Similarly for NATA.

Re: Appropriate terms for Memoranda of Understanding

*** Are the current terms of the MoUs with the Australian Government and its agencies, including the objectives and the undertakings of the parties, appropriate?**

Re: Standards

I suggest the following changes:

Paragraph 1. S.A. should no longer be permitted, through its Standards Accreditation Board (SAB), to accredit other bodies to develop Australian Standards. There should be another entity (perhaps a reconstituted SAB, or various appropriate government departments or CSIRO to take over this role.)

The membership of S.A. in various international bodies should be reviewed in order to lessen Australia's role in matters not of interest to Australia and to remove the exclusive roles of S.A. in international matters.

Paragraph 2 should be deleted.

4th bullet point. Add the following after 'international Standard'
"or Australian professional or trade organisation standard" exists ...

Re NATA - no comment

*** How well have the parties performed in meeting their responsibilities and specific undertakings under the MoUs?**

In my experience, Standards Australia has, in the past few years, failed to perform in every item listed below in its MoU with the government (See Appendix 1. I can provide specific examples):

- * endeavour to ensure that Standards developed for regulatory purposes are suitable for referencing in legislation/regulation and represent a minimum effective solution;
- * balance all relevant interests, based on assessments processes, (including, where appropriate risk assessment and cost-benefit analysis), while taking all reasonable steps to ensure the process is carried out expeditiously;
- * ensure that no new Australian Standard is developed where an acceptable International Standard exists and that no Australian Standard contravenes WTO requirements that national Standards should not be used as non-tariff barriers;
- * check that standards do not inhibit competition, should have clearly identifiable outcomes and, wherever appropriate, contain performance or outcome-based requirements rather than input-based or other prescriptive requirements.

*** Is 'national interest' well and/or appropriately defined? Are standard setting and accreditation services sufficiently independent of business interests to adequately take into account the national interest and more generally the public interest?**

The national interest is not well defined and as a result appears not to be considered. However I am sure that government representatives and standards staff will say it is being considered. Sometimes this is through ignorance of the results of their actions. For example a standard on product fire safety was put aside for work on a standard that has political priorities but is not in the national interest.

Government has also accepted resources from business interests when a standard affecting their product was being revised (example can be given). This does not give confidence that the government will not be influenced. SA has used a company representative in carrying out public relations work with respect to a standard under development which affects that company's product.

*** Are the current arrangements between the Australian government, Standards and NATA in relation to representation at international fora effective in facilitating Australia's international competitiveness?**

No answer

*** Does Standards Australia undertake, document and distribute the assessments (risk and cost benefit analysis) required by the MoU where appropriate? At what point in standards development should a Regulation Impact Statement be prepared if they are going to be referenced in regulation? What role should Standards Australia play?**

No. I have not seen any such assessments. The risk and cost benefits in relation to various options of the standard being drafted should be considered throughout the process. How can you do this without an expectation as to what the standard will contain? This is not always possible. A final RIS should begin when the final draft is nearing completion. Hopefully by then most difficulties will have been averted through continuing attention to the possible impacts.

It would be useful, if not essential, for committee members to be involved in preparing the risk and cost benefit analysis and the RIS. They should be aware of these at all times.

This role could be outsourced to another independent organisation.

*** Should regulatory bodies be able to make greater use of non-NATA accredited laboratories?**

Yes. Unfortunately there may not be sufficient accredited laboratories for the government to have a choice. A review of the state of affairs of NATA accredited laboratories and the range they should cover needs to be carried out - or made public if one exists.

*** Is it appropriate that Standards Australia and NATA are accorded recognition as 'peak' bodies within the Memoranda of Understanding that each organization has with the Australian Government? Is the public interest best served by this special recognition?**

Re Standards, I feel strongly that standards development should be widened to encourage entry of other standards writing bodies, particularly professional and trade organisations, to develop standards within their area of expertise. This occurs in other countries where an increasingly ethical and professional approach to developing standards is obvious. Standards Australia is currently acting as a monopoly and its "peak" body status should be terminated. It has accredited very few additional standards writing bodies. There are many more that could be accredited. The public interest is not served well by a monopoly.

Re NATA, I feel that a central accrediting organisation for laboratories is preferable to having many. However certification via other means should be possible. NATA should probably remain the peak body.

*** What would be the consequences if government removed the special peak status of Standards Australia and NATA?**

If government removed the peak status from Standards Australia then we would expect more efficient standards development, more rational standards, and more innovation in these standards. We would experience better committee management and less wasted resources. Currently we are producing some standards that are of a very poor in quality.

The current draft amendment to AS/NZS 4859.1 is a case in point. It is being developed so it can be referenced as a mandatory standard in the Australian Building Code. Because of lack of current scientific Australian data on the thermal performance of materials there is a mix of accepted old Australian data, United States field and laboratory studies data, European calculations based on European thermal conditions (incorrectly interpreted), commercially biased prescribed derating for one product, based on folklore. It replaces a set of assumptions endorsed by the world expert in the field. Two things will be achieved if it is accepted. It will discriminate against one section of the industry in favour of the larger corporations and it will appear to endorse incorrect calculations already offered to government and trade. It should be scrapped and the trade assumptions allowed to prevail.

In many cases professional and trade organisations have already developed their own standards and codes for use in their specific industry. These should always be considered before calling for tenders. If they seem suitable then they should be adopted, after a public comment phase and any necessary adjustments.

NATA: no comment

*** To what extent do the current checks and balances provided to the Australian Government in relation to the activities of Standards Australia and NATA produce an appropriate balance between the national interest and the need for these organizations to have some degree of operational autonomy?**

Currently there are regulations, laws, MoUs already in place which are not being adequately monitored, audited, and reviewed to ensure compliance with respect to Standards Australia. As a result the public is paying for something which does not serve them well. The contrast of the good management and ethical performance of the two standards committees I serve on in US, with the poor management and disregard for the rules in the committees I have experience with in Australia, is significant.

NATA no comment

*** Are there additional matters currently not addressed that should be included in the MoUs or are there some currently included that are inappropriate?**

Perhaps not in the MoUs, but there is a desperate need for more funding to be budgeted for basic building research, related to Australian conditions, in order to put together the body of scientific data that is needed in drafting standards. There is very little basic research being carried out since CSIRO was restructured. Universities also struggle to fund basic research. The government ignores the pleas for funds for basic information and seems happy for standards to adopt foreign research data, computer programs or anecdotal information.

Re: Appropriate means of funding the activities of Standards Australia and NATA which are deemed to be in the national interest?

*** What criteria should be used for determining when or which of the activities of Standards Australia and NATA should be funded by government or alternatively by industry?**

All new standards work should be put out to tender. The budget for Standards Australia should be reduced and their budget should focus on maintaining their current standards.

Industry should only be permitted to fund standards through their professional and trade organisations. No private funding should be used in developing standards. It inhibits competition.

All agreements for funding the development of standards should be accompanied by agreements with government ensuring the public interest is served.

Government needs to circulate its list of priorities for standards development for public comment and information.

Industry, through its professional and trade organisations, should be permitted to develop their own standards for their membership.

*** Should government funding be restricted to national interest activities in international fora? Should other public interest activities, such as writing standards to enable market failures to be regulated also be funded?**

There may be exceptions but generally government should restrict its activities to national interest activities in the international fora. It should aim to promulgate Australian criteria and peculiarities in the international arena so that international standards are more acceptable to Australia. At the moment many international standards are inadequate for Australian construction because of climate factors. This statement also applies to joint standards activities in association with New Zealand.

There is a case for adopting ISO standards for use in Australia. They are good quality, unbiased, and sometimes innovative. We just have to be careful what we choose.

If people want to keep up with international standards development, as suggested by S.A., then very few can use the method of being part of an international committee. Industry people with interest in a particular product find out what is happening in their area by other means.

Any standards which affect international markets should be developed, or adopted, with consideration of Australia's WTO agreements.

*** Is government funding sufficient to cover the costs of activities undertaken by Standards Australia and NATA on behalf of the Government?**

Probably not, but is the current funding being well utilised? Standards Australia needs to demonstrate better management (follow the guidelines it has set itself on its committee web pages), adherence to its MoU and transparent, professional behaviour in developing standards through balanced, well chaired meetings. Government funding should be reviewed in conjunction with expanding the use of organisations that can develop standards.

Professional and trade organisations should be encouraged to participate in the independent development of standards relating to their industry.

*** What checks and balances should be established to ensure these funds are used optimally to cater for the public or the national interest?**

Tenders for standards, audits of work contracts - not only financial - but chairpersons, balance of membership, guidelines for conducting meetings, etc.

*** Do Standards Australia and/or NATA price their services so that cross subsidisation is occurring? Is this appropriate?**

No comment - except that standards are sufficiently expensive to stop people from buying any more than they absolutely have to.

*** Could other public or private bodies undertake such national interest activities? If so should the government tender for the activities?**

Yes the government should tender for standards development. There are other private not-for-profit, professional, trade and public bodies which have sufficient ability and expertise to develop good standards. A monopoly, as currently exists, is not in the public interest. Other countries have numerous standards bodies.

I prefer NATA to be a national, government-funded body, with a broader role and resources to match.

SUMMARY OF COMMENTS

* Standards development in Australia should be opened up to other standards writing bodies, but in particular professional and trade organisations, who have the expertise and resources to develop standards in their sector. Standards Australia should lose its peak body status with respect to writing standards.

* Adopting international standards may appear to be a cost savings measure but they are frequently inappropriate for Australian conditions, and Australia is not represented in their development so local criteria and needs are ignored. International standards adoption should be considered - but with caution.

* Government should seek tenders widely for development of new standards it requires. It should list and widely publicise, well in advance, its needs for standards and accept and act on public comments with respect to their priorities.

* The review of existing S.A. standards should be carried out regularly. Amendments should be made as necessary. (ANSI requires review every 4 years.)

* Standards Australia, a partly public funded organisation, needs to be completely transparent in its operations and that means also making committee membership and work available to public scrutiny.

* Standards Australia should train its staff in the content of its own regulations and those under its MoU with the government; how to conduct themselves to comply with these regulations; and in train them in quality assurance procedures.

Its chairperson and sub-committee chairperson need to be similarly coached in their own set of guidelines.

* The standards sub-committee structure should be used, as a matter of course, to deal with difficult matters for reference back to the main committee.

* ISO standards adopted by S.A. without modification need to be respected and used in their entirety rather than changing pieces to suit S.A. ISO are the experts. Alternatively S.A. can adopt the ISO standard with modifications - but they need be on strong scientific ground.

* S.A. should be using Quality Assurance procedures to make certain these continuing problems do not occur. They need to lift their act.

APPENDIX 1

a. Concerns regarding Standards Australia's Staff

Standards staff:

- fail to follow their own SA guidelines in the operations of activities relating to committees (many instances can be provided)
- fail to answer communications from their committee members
- fail to keep members informed of the status of their projects
- fail to notify members of the postponement of meetings in a timely manner
- fail to check that standards referenced in their new and revised draft standards are in fact available, are current, and are not currently under revision
- fail to be transparent in their activities, eg by working with individual members separately without informing other members
- fail to use sub-committees established to deal with specialised areas of standards development
- fail to provide, in a timely manner, documents (eg. International standards) required by members of committees and others working on special projects
- fail to keep up with their subject area. As a result they are unable to determine what is fact and what is fiction in their area of responsibility
- fail to withdraw standards voted for withdrawal by committees (eg. AS2627.1)
- fail to distance themselves from special interest groups and as a result they enable bias in standards which inhibits competition
- fail to make obvious corrections to main standards during amendment stage.
- fail to respect the integrity of the ISO standards they endorse.

Staff need to be mature and capable of delivering independent unbiased decisions and provide opportunities for all necessary input. They need to be aware of government and their own regulations regarding fair trade practices.

Even if new management processes, such as those outlined in its submission, are implemented, Standards Australia is still only as good as its weak links and there are too many of them at the moment.

b. Other S.A. committee matters of concern

What is concerning lately is that even when expert groups are formed to advise on controversial issues, their material is permitted to be altered by commercial interests between the results of the expert group and the standards committee meeting (examples can be cited). The source and basis of these changes are rarely declared. Standards Australia is very reluctant to reference the source materials it uses in developing its standards.

Larger corporations try to stack Standards committees in order to reduce competition in the area of their commerce. They have always tried to do this but Standards Australia's Project Managers should be knowledgeable of their sector and insist on balance of representation and good management of meetings.

Standards committees need a majority of independent members on their committees so that commercial interests are outnumbered by, hopefully, unbiased, well informed professional people. Then rational standards will result from input of scientifically validated data - in an efficient timely manner.

Technological advances by smaller innovative businesses will never see the light of day in an Australian Standard unless these circumstances change.

c. Concerns regarding Committee and sub-committee Chairpersons

Chairpersons' terms are limited in the rules (3 years plus possible extension by 2 terms), but this is ignored. This rule should be complied with. Chairpersons need to be aware of the rules pertaining to Standards Australia chairpersons especially the conduct of meetings. Standards personnel responsible for each committee should have a set of guidelines which they give to the chairperson and which they also follow to ensure full representation, balance and unbiased operations in their meetings.

Chairpersons should state their commercial involvement, and potential conflicts of interest, upfront, as in the committee chairperson's guidelines. Chairpersons of Committees and Sub-Committees must remain free of any commercial bias.

d. Concerns Regarding Waste of People's Time and Money on Committees

Committee members usually have some relevant expertise. They volunteer their time and other resources, and generally that is acceptable to them. It is common for their employers to support them with time off and their sponsor with travel costs. It may not be appreciated how much time is spent outside normal work hours on Standards work. In my case it would be hundreds of hours a year. For this dedication a member deserves respect and to have their work effectively communicated to other committee members.

People travel thousands of kilometres, at their own, or their sponsor's expense, to attend the committee meetings which are, in my experience, so poorly administered that most of the time they are a waste of time and very little is achieved. These busy committee members also require plenty of notice of scheduled meetings (and cancellations) so that they can accommodate them into their schedules.

e. Concern regarding Standards Australia's Inability to Solve Committee Conflicts and Reach True Consensus

There is inadequate technical expertise in Standards Australia. Staff have summarised technical information outside their expertise and misled committee members (Examples can be provided). Standards Australia may need to employ independent arbitrators to assist them when there are disputes between committee members because of the limited technical expertise of chairperson and project managers. A consensus is not feasible in many cases. It just leads to poor quality standards being produced. In most cases the matter disputed has only one correct solution.

APPENDIX 2

I object to the two statements by Standards Australia in its submission.

The following statement should not be the reason to join a standards development committee. We need committee members with expertise in the relevant area and dedication to the task, not people seeking business advantage.

Being part of an Australian Standards development team has its own advantages – increased knowledge, stronger business networks and competitive advantages. There is no better professional development than working with peers and colleagues drawing up an Australian standard. There is no better personal satisfaction than knowing an Australian Standard has made the world a safer place. (Page 9, Box 3)

Unfortunately this statement below is definitely not the case any more:

Every Australian standard represents a consensus of the views of all parties that are materially affected by the relevant Australia Standard and standards will only be developed where they serve the national good. (Page 9)

The End

AMCA International's Antitrust Guidelines

The Air Movement and Control Association International (AMCA International) provides members the lawful opportunity to meet together to transact AMCA International business and to further AMCA International's legitimate goals. Such lawful activities include: the development of performance standards that provide a benefit to the public, the running of certification programs, the petitioning of federal, state, local, or foreign governments on issues that have an impact on AMCA International's members as a whole, the promotion of the industry, the conducting of educational programs, the provision of statistical reporting, and the conducting of pre-competitive research. Because participants in AMCA International's meetings are companies with competing, and sometimes opposing economic interests, AMCA International's actions are subject to close antitrust scrutiny. Therefore, AMCA International and its members adhere to the following conservative antitrust guidelines.

Notice and Records

- Each AMCA International meeting must be preceded by notice of the date and time of the meeting along with a copy of the agenda for the meeting.
- Minutes are required of every AMQA International meeting. The minutes must be clear, complete, and accurate with regard to the discussion that occurred, the actions taken, and the basis for the action.
- An AMCA International staff person shall attend every meeting and act as executive assistant.
- There are no 'off the record' conversations. AMCA International does not support and will not condone the holding of any unofficial meeting by its members in conjunction with an AMCA International meeting,
- AMCA International's General Counsel will attend meetings where the executive assistant or a member believes that potentially sensitive matters may arise during the meeting.

Appropriate and Inappropriate Discussions

It is not possible to identify in a set of guidelines every possible topic that might raise serious antitrust questions if discussed at an AMCA International meeting. The legality of communications among competitors often turns on the particular purpose and context of the communication. Generally, all communications and discussions that could directly influence the decisions of individual AMCA International members regarding production levels, product pricing, marketing strategies, or selection of customers or suppliers must be avoided. The following areas must not be discussed at AMCA International meetings:

- Price or any elements of price or pricing policies, including costs, discounts, rebates, profit margins, etc.
- Terms or conditions of sale, including warranties, credit, and shipping arrangements.
- Particular competitors, suppliers, or customers,
- Sales or production quotas or limits, allocation of customers or sales territories or refusal to sell to certain customers or to buy from certain suppliers.
- The market share or sales territory of any particular competitor.

- The operating statistics, inventories, sales, marketing methods, or strategies of any particular competitor.
- Controlling competition or excluding any competitor from any market

Participant Conduct during Meetings

- Afford all members an adequate opportunity to express their views.
- Ensure participants are not inhibited or afraid to argue technical positions.
- Consider all opinions before actions are voted upon.
- Ensure due process (notice, opportunity to participate and appeal timely decisions) to all interested affected parties (suppliers, manufacturers, distributors, customers, and users).
- Participate and behave in a reasonable manner.
- Prohibit informal sessions or discussions between members once a meeting is adjourned.

Guidelines when Discussing Standards and Certification

- Confine discussions of product standards or certification of compliance with standards to technical, scientific, engineering, and safety considerations. Commercial considerations are not proper factors for consideration or discussion.
- Provide truthful representations with respect to testing procedures and performance rating standards.
- Prevent discussions on prices, production, or competitors.
- Develop performance standards not construction or specification standards except in exceptional circumstances.
- Insure that standards reflect existing technology.
- Insure that standards are kept current and adequately updated to allow for technological innovation.
- Develop voluntary standards.

Guidelines for Statistic Programs

Statistical programs are lawful as long as they are not part of a scheme to fix prices, allocate production or otherwise restrain trade.

- Maintain strict confidentiality of all individual company data with data reported only in composite form.
- Prevent disclosure or discussion of individual company statistics, sales, or production plans outside of confidential disclosure to AMCA International statistical department staff

Guidelines for Pre-competitive Research

AMCA International may undertake collective research if such research is not likely to be done separately as expeditiously, effectively or economically, and if such collective research will not unreasonably restrain or substantially lessen competition.

May 2004

Note: Attachment 2

ANSI

ANSI Essential Requirements: Due Process requirements for American National Standards

is available at

<http://public.ansi.org/ansionline/Documents/Standards%20Activities/American%20National%20Standards/Procedures,%20Guides,%20and%20Forms/ER0106.doc>

and Attachment 3

ASHRAE

Application for Membership on ASHRAE Standard or Guideline Project Committee

is available at website:

<http://www.ashrae.org/template/TechnologyLinkLanding/category/1638>