

**Submission to the Productivity Commission's Research Study into the
Australian Government's Relationship with Standards Australia Ltd (SAI)
and the National Association of Testing Authorities (NATA)**

21 April 2006

The Australian Appliance Industry, Standards Australia and International Standards

GAMMA, the Gas Appliance Manufacturers Association of Australia represents the major appliance manufacturers and importers in Australia, and welcomes the opportunity to make a written submission to the Productivity Commission's Research Study.

The gas industry in general, and GAMAA members specifically contribute to the creation and maintenance of a wide range of appliance standards in Australia. These Standards are used to test all appliances built in Australia and overseas, before the appliance is released for sale. The compliance to the appropriate Standard is then displayed as part of the "point of sale" material which is on display with the appliance, and will often be supplied as part of the documentation supplied with the appliance. The safe and efficient use of appliances in Australia rests on the rigorous testing of appliances to an array of local and overseas standards which relate to Australian conditions.

It is essential that the Federal Government support for Standards Australia continues, in both financial and through the Memorandum of Understanding.

The role of standards in free trade between Australia and the rest of the world is to facilitate and promote competition. Appliance standards continue to be "globalised" and it is essential that Australian industry is allowed to make significant representation to international standards committees if that standard is to be applied in Australia. At present, some international standards for appliance and appliance installation are completely unworkable in Australia, due to many factors such as climate, building construction, and even life-style. If Australian representation on committees is based on market-size, then the ability to impact on global standards will be miniscule. Yet, some global standards must be modified to be workable in Australia.

There are a multitude of international standards available to test a variety of appliance performance parameters. It is not clear what process is used to select the appropriate standard, and who makes that selection.

If international standards are to be adopted in Australia, it is the responsibility of the Government, in its relationship with SAL, to ensure that the result is an efficient, uniform, consistent framework of legislation, regulation and adoption of standards that avoids duplication.

Australian Standards - Compliance

As Australian standards apply to locally and overseas manufactured appliances, it is essential that uniformity in compliance be achieved and maintained. In Australia, the gas industry is largely controlled through State legislation, and as such, is subject to seven different interpretations and executions of the same standard. Essentially, an appliance sold in Australia is being sold “into seven different environments”. Therein lies a significant challenge for Federal and State Governments, State Authorities, Standards Australia and industry members:

a nationally accepted position of standards selection, compliance and enforcement, including appropriate safeguards for consumers, procedures for removal of faulty appliances and clarity of purpose to manufacturers and importers.

GAMAA has become involved in the unflued gas heater debate as a member of the Gas Appliance Health and Safety Council of Australia (GAHSCA). The different treatment afforded by different State authorities to the same appliance (an unflued gas heater) ranges from no restriction beyond those specified in the Standard (AS 5601) (NSW, QLD, SA) to out-right ban (Victoria, when heaters are powered by natural gas, but not by LP Gas).

The effectiveness of a Standard, local or international, may be diminished or perverted by a multitude of different authorities who possess widely differing interpretations of the same Standard.

Australian Standards – Creation and Maintenance

The current practice of skilled technicians and industry members writing a Standard ensures the knowledge and skills of the members is captured, to the benefit of the industry and the public who ultimately buy and use the appliance. In Australia, the availability of skilled people is in decline. An ageing workforce, smaller organisations and overseas operations have combined to reduce the available resource to create and maintain standards at the current level. It is possible that at some time, the available resource will be incapable of maintaining the status quo, let alone address new challenges of a dynamic industry. The Australian Government may be asked to assist financially and logistically in maintaining the status quo, as a minimum.

Overseas Standards – Selection and Adoption

The expectation of the Australian public, Governments and Authorities is that appliances available in Australia will be approved, fit for purpose and safe. The country of manufacture, the origin and selection of a Standard and the credentials of the testing authority are almost incidental to those outside the appliance industry, but of vital importance to those within the industry.

The responsibility of the Government is to ensure a system is in place that makes certain appliances are free of defects which may injure the user or harm the community or the environment, irrespective of the testing regime or authority used to ensure compliance.

In its relationship with SAL and the States and Territories the Government should support the delivery of the benefits of safe, fit for purpose appliances by suppliers to the Australian community through supporting the adoption of uniform national requirements and the uniform adoption of Australian standards in each State and Territory.

Standards – NATA

The testing of gas appliances in Australia, to Australian standards, is managed by a network of NATA accredited laboratories for both the overseas supplier, Australian manufacturers and the Australian customer. The Australian standards used by NATA in this testing regime are accepted in Australia and widely accepted overseas. Without a sound system of NATA accredited labs, it would become very difficult for manufacturers to gain credible certification for appliances. They rely on certification against international standards by overseas, third party organisations. GAMAA encourages the Government to continue its relationship with NATA as defined in the MoU and to continue to provide financial support.

Conclusions

The current activities of Standards Australia and NATA result in effective standards and testing regimes that are implemented and policed in varying degrees, with varying success. Whilst criticism of the current Standards regimes quotes increased costs, increased delays and lack of compliance, the Australian appliance industry and the Australian community are adequately served by the relevant standards but uniformity of regulation needs to be improved. An overseas standards and accreditation system can incur costs, and delays which will be reflected in the sale price of the appliance. Care must be exercised in selecting an overseas standard for inclusion in

the Australian industry, consistent with the great care given to the writing of a Standard in Australia.

The effective and efficient implementation of any standard, international or Australian, and the policing of compliance to that standard are essential in delivering quality and consistent products and services. In Australia, standards relating to appliances are spread across State and State based authorities, reducing consistency, effectiveness and efficiency. Australian appliance standards should be applied uniformly with the support of consistent and unambiguous legislation and regulation.

The role of the Australian Government in its relationship with SAL and NATA should be to step up and increase its push for the formulation of nationally uniform legislation and regulations, coupled to agreed and consistent policing and compliance practices.

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