

## **Study into Standards Setting and Accreditation**

NATA is the oldest broad-spectrum accreditation body in the world, and the systems developed by NATA have now been adopted globally, with more than 100 countries currently having or implementing national accreditation authorities.

The role of accreditation is now critical in facilitating international trade, as overseas regulators are increasingly seeking the assurance of competence (for both test reports and inspection certificates) given by a national accreditation authority. Accreditation of laboratories and inspection bodies is particularly important where regulators in different countries use different mandatory standards. By accepting accreditation, the regulators allow organisations in other countries to test or report against their own mandatory requirements, rather than the mandatory standards becoming a non-tariff barrier. Regulating for accreditation (rather than a specific standard) allows and encourages innovation in both the testing process and the manufacturing process.

While competition could be seen to be compromised by a single accreditation body, in many countries accreditation is seen as the ultimate guarantor of competence on behalf of governments. Most accreditation bodies are either part of government, or like NATA, have a close formal relationship with government. Without this government imprimatur many regulators would not accept the outcome of the accreditation process. Indeed, the European Union has accepted both NATA and IANZ as designating authorities (on behalf of government) in the respective government-to-government mutual recognition agreements with Australia and New Zealand. It is almost certain this could not have been the case if there had been any hint that NATA was not the government-endorsed accreditor of laboratories and inspection bodies.

The growing globalisation of markets has also increased the demand for and importance of laboratory and inspection body accreditation. Well over 50% of WTO members and observers have established national accreditation authorities. Many of these are signatories to the APLAC or EA MRAs for accreditation of laboratories and inspection bodies (or ILAC for unaffiliated bodies), with the remainder working toward signatory status. The overwhelming international trend is for a single national accreditation authority for both laboratories and inspection bodies.

The clear benefit from accreditation in terms of international trade is the removal of the requirement to re-test or re-inspect goods entering foreign markets. While such additional costs are difficult to quantify, in some instances they have been sufficient to prevent trade altogether when there was no assurance of acceptance of test reports (from accredited laboratories) in overseas markets.

With the accepted international requirement for accreditation bodies to comply fully with the ISO/IEC 17011 standard, and formal peer evaluations every four years to give assurance of competence of NATA accredited laboratories and inspection bodies, there is no issue regarding uniformity in the accreditation process. NATA has never failed a peer evaluation, and can stand proud of being assured of world class performance as an accreditation authority.

The role of accreditation in public health, safety and environmental protection is really over to domestic regulatory agencies at primarily the State, but also Federal level. However, such regulatory agencies are unlikely to rely on the accreditation process unless they have full confidence in its outcome. Such confidence is most unlikely from a regime where there is competition between accreditation bodies.

The four specific issues are addressed below:

### **1. Efficiency and Effectiveness**

The major efficiency is by having a single laboratory and inspection body accreditation authority, whose output is accepted and respected by all stakeholders, including regulators, manufacturers and exporters, and consumers. This avoids the need for laboratories and inspection bodies to be subjected to duplicate or repeated assessments. NATA is required, under its international obligations, to involve all stakeholders (both public and private) in its core advisory and decision making committees. It is also required to have rigorous internal mechanisms to ensure any failures in systems are identified and rectified.

The effectiveness of NATA accreditation is exemplified by the acceptance of NATA accreditation by some fifty-nine other counterpart accreditation authorities in forty-six other economies, including all of Australia's major trading partners.

### **2. Role of the Australian Government**

There is no question that the international recognition and status that NATA enjoys confers a benefit to Australia considerably in excess of that accruing to the member laboratories and inspection bodies accredited. The facilitation of trade, and the setting of high international benchmarks benefits all levels of society, from manufacturers to consumers. If the costs for this international recognition were fully imposed on NATA clients, they would be providing an unfair and inappropriate subsidy to the taxpayer.

### **3. Appropriate Terms for Memoranda of Understanding**

It is difficult for IANZ, as a foreign, government-owned accreditation authority to comment in this area. However, in New Zealand, virtually all regulators in the public health, safety and environmental protection areas rely upon, and have full confidence in IANZ accreditation. This is unlikely to have occurred if IANZ did not have the full support of the New Zealand government.

### **4. Appropriate Means of Funding**

It is well recognised that government resources are limited. However, it is also recognised that accreditation (particularly of laboratories and inspection bodies) now plays a critical role in facilitating trade, and avoiding non-tariff barriers. The WTO TBT agreement actively encourages governments to take leadership in this area. With the growing activity in free trade agreements throughout the Asia Pacific region, the role and importance of accreditation will grow further. Not only should the level of investment necessary be considered, but also the potential cost of inadequate investment.

