



**MASTER BUILDERS
AUSTRALIA**

**Supplementary Submission
to the
Productivity Commission
on
Standard Setting and Laboratory Accreditation**

September 2006

Master Builders Australia Inc ABN 701 134 221 001

building australia



Introduction

This supplementary submission is made by Master Builders Australia. Inc. (Master Builders).

Master Builders represents the interests of all sectors of the building and construction industry. Master Builders nationally represents approximately 28,000 commercial and domestic builders.

As mentioned in our previous submission Master Builders will only be making comments on issues relating to Standards Australia and will not be making comments on the draft recommendations on NATA.

Draft Recommendations

Standard setting

Draft Recommendation 5.1

The Australian Government should maintain Standards Australia's status as Australia's peak non-government standards development body and the role of the Standards Accreditation Board in accrediting other standards development organisations to make Australian Standards.

NOT SUPPORTED

The current status provides Australian Standards with a monopoly position and creates a competitive advantage for Australian Standards.

Master Builders **recommends** the Government should provide equal opportunities for alternative standard setting bodies wishing to enter the Australian market. A more competitive market would provide opportunities to improve processes and deliver more cost effective products.

Draft Recommendation 6.1

The Australian Government should, in conjunction with Standards Australia, improve the effectiveness of Australia's participation in international standard-setting fora by more clearly articulating the national interest objectives to be pursued. Australia's future participation must be focused on those international standardisation activities with the potential for the greatest net benefits for the Australian community.

SUPPORTED

Draft Recommendation 6.2

The Australian Government should, in consultation with Standards Australia, ensure the most appropriate expert representation in international standardisation activities and increase funding in order to address any financial barriers to such representation.

SUPPORTED

Draft Recommendation 6.3

Standards Australia should facilitate more direct participation by Australian consumer bodies on the ISO Committee on Consumer Policy and its working groups.

NOT SUPPORTED

Master Builders doesn't support further consumer representation on technical based ISO standards. For government-funding of Australian Standards to be used to cover costs of consumer representatives travelling overseas to attend technical standards meetings without the appropriate qualifications or experience is a poor allocation of government funds.

Draft Recommendation 6.4

The Australian Government should, through the Memorandum of Understanding, continue to require that in the development of Australian Standards there is a presumption in favour of adopting international standards, and that Standards Australia must publish the compelling reasons where an Australian Standard departs from an equivalent international standard. However, the suitability of such standards must continue to be assessed on a case-by-case basis by Standards Australia and by governments through their regulatory impact analysis processes where the Standards are to be referenced in regulation.

SUPPORTED

Draft Recommendation 7.1

Standards Australia's justification process for the development of new or amended standards and the setting of priorities should be made more transparent and robust including by the publication of reasons for decisions, the establishment of a more open appeals process, and ensuring that the primary decision criterion must be a net benefit to the community as a whole.

STRONGLY SUPPORT

Draft Recommendation 7.2

For standards that are to be referenced in regulation, a rigorous impact analysis must be undertaken by governments in compliance with the RIS requirements of the relevant jurisdiction (or COAG requirements for intergovernmental action). In order to best facilitate consideration of other regulatory and non-regulatory alternatives, RISs must be commenced at the earliest practicable opportunity.

While the preparation and coordination of the RIS is the responsibility of the regulating government, Standards Australia should provide technical input and other information as required by the drafters of the RIS and where such input is substantial and additional to normal activities, be compensated accordingly.

SUPPORT IN PART

Master Builders agrees the RIS process must be completed for standards that form part of legislation. However the same tests and measures must be completed by Australian Standards for non-referenced standards. This is because many non-referenced standards are often nominated in contracts and specifications and can add significant costs to a project and obviously to the client.

Draft Recommendation 7.3

Consistent with the fundamental principle of transparency and accessibility of legal requirements, the Australian Government, or other relevant governments, should fund Standards Australia to provide low cost access to Australian Standards referenced in regulations. The implementation of this recommendation will require further examination by the Australian Government of the current contractual arrangements between Standards Australia and SAI Global (under which SAI Global holds the exclusive rights to sell Australian Standards).

SUPPORT

Draft Recommendation 7.4

Given the cost of access to Australian Standards, the Australian Government, and other governments, should seek to minimise the number of referenced standards and, in particular, avoid unnecessary cross references to Standards which make it necessary to purchase multiple Standards documents.

STRONGLY SUPPORT

Draft Recommendation 8.1

Standards Australia should improve the balance of interests represented on committees by:

- *increasing the participation of small business, consumer and other community interests;*
- *requiring sector boards to be more rigorous in ensuring appropriate balanced representation on technical committees, including by regular reviews of the composition of such committees;*
- *requiring all committee membership lists to state publicly not only the name of the nominating organisation but also the name of the company or entity from which members come; and*
- *improving complaint handling processes to deal with concerns about the lack of representational balance.*

SUPPORT

Draft Recommendation 8.2

Standards Australia should continue to adopt the consensus decision making model for the development of Australian Standards. Standards Australia should make the standards development process more accessible to the general public, including by:

- *better promotion of public comment opportunities and guaranteeing minimum time periods for consultation; and*
- *making all significant documents and other information readily accessible via the internet.*

SUPPORT

Draft Recommendation 8.3

Standards Australia should reduce barriers to volunteer participation on technical committees by adopting measures to reduce the cost of participation. In addition to the same measures necessary to improve efficiency and timeliness (see draft recommendation 8.4), Standards Australia should fund volunteers, particularly small business and consumer representatives not supported by their employers, for travel and accommodation expenses.

SUPPORT

However, this funding should apply to all members attending committee meetings.

Draft Recommendation 8.4

Standards Australia must continue to improve the efficiency and timeliness of Standards development, including by:

- *making greater use of independent experts to prepare early drafts of Australian Standards;*
- *reducing face-to-face meetings, including through better use of technology;*
- *increased use of partnering arrangements; and*
- *improving project management.*

PARTLY SUPPORTED

Master Builders' experience is that because Standards Committees are made up from wide industry representatives and volunteers, face to face meetings provide a better opportunity for all members to understand the issues at hand.

Master Builders agrees that costs are higher to hold face to face meetings but they should not be totally substituted, however other technologies could be beneficial at appropriate times in the Standard development process.

Draft Recommendation 8.5

Standards Australia should strengthen its formal appeals and complaints handling processes. Such processes must be robust, transparent and sufficiently independent and cover all grievances relating to any aspect of the standards development process, including appeals against decisions relating to the development of a new or amended standard.

SUPPORT

Draft Recommendation 9.1

The Australian Government should continue to support, with some reallocation of funding and possibly at an increased level overall, Australia's participation in international standardisation activities, including:

- *partial funding for Standards Australia's membership of, and participation in, ISO and IEC and regional standardisation activities;*
- *partial, but increased, funding for industry participation in ISO and IEC meetings;*
- *support for involvement in a broader range of specified international fora; and*
- *full funding for participation by consumers in the ISO Committee on Consumer Policy.*

In addition, support should be provided, through funding or in-kind support, for domestic standardisation activities, including:

- *the secretariat of the Standards Accreditation Board;*
- *basis, development of regulatory standards and input into the preparation of associated regulation impact statements; and*
- *enabling low-cost access to regulatory standards.*

SUPPORT

Draft Recommendation 9.2

The Australian Government should continue to use the Memorandum of Understanding (MoU) as the most appropriate instrument for setting out the basis for its relationship with Standards Australia. While the terms of the current MoU generally remain appropriate, some changes are necessary including to:

- *give effect to many of the specific draft recommendations in this report;*
- *improve the clarity of the document and its objectives, in particular by better defining public interest activities;*
- *deal with the special requirements of regulatory standards; and*
- *require public reporting on an annual basis of its performance against the MoU obligations.*

STRONGLY SUPPORT