



The Royal
Australian Institute
Standard
Setting and
Laboratory
Accreditation

Submission to the
Productivity Commission

1 September 2006

SUBMISSION BY

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PURPOSE

This submission is made by The Royal Australian Institute of Architects (RAIA) to the Productivity Commission in response to the request for comment on the draft research report – *“Standard Setting and Laboratory Accreditation”*.

ABOUT THE RAIA

The Royal Australian Institute of Architects (RAIA) is an independent voluntary subscription-based member organization with approximately 9,000 members, of which 6,070 are architect members.

The RAIA, incorporated in 1929, is one of the 96 member associations of the International Union of Architects (UIA).

At the time of this submission the National Executive of the RAIA is:

Carey Lyon (National President)
Alec Tzannes (President-Elect)
Bob Nation (Immediate Past President)
Neal Mackintosh (Honorary Treasurer)
Carolyn Wigg (Honorary Secretary)

The CEO is David Parken.



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2. INTRODUCTION

2.1 Background

- 2.1.1 The Productivity Commission is tasked with reviewing the efficiency and effectiveness of Standards Australia and the National Association of Testing laboratories (NATA) and the relationship of these organizations with the Australian Government.
- 2.1.2 In April 2006 RAIA met with the Commissioner and other representatives of the Productivity Commission to outline issues of significance for the architectural profession in relation to standards and standards setting.
- 2.1.3 Given the fullness of this verbal presentation, no first-round written submission was provided. Rather RAIA determined to review the draft report and then to provide this final commentary on relevant key recommendations.
- 2.1.4 Although architects do interface with the work of NATA, primary concerns of the profession relate to Australian Standards. The comments provided in this response are thus limited to issues pertaining to Standards.

2.2 Standards and Architecture

- 2.2.1 It must be strongly emphasized that the architectural profession is not a typical stakeholder or consumer in relation to Standards. Architects require:
- > Access to a very much larger number of Standards than most other businesses, trades or professions because of the multi-disciplinary, multi-product nature of the architectural role;
 - > A large number of Standards that are referenced in legislation or regulations;
 - > Detailed awareness of second- and third-tier standards that relate to "testing standards in the manufacture of..."; "requirements for the manufacture of..."; "fabrication of...", and "installation of..." a wide variety of building related products and systems;
 - > Access to Standards that are subject to frequent or continuous updating;
 - > Access to specific aspects of certain Standards on an occasional or irregular basis, and
 - > Certainty about current and applicable versions of Standards that may be referenced in legislation or regulation.
- 2.2.2 Because of this demanding set of requirements, the RAIA supports the maintenance of Standards Australia as

Australia's peak non-government standards development body. However, changes in the accessibility and affordability of standards are required to ensure that architects can practically and equitably fulfil their duties to clients and to the Australian community.

2.3 Draft Report

2.3.1 The Productivity Commission's *Draft Report on Standards Setting and Laboratory Accreditation* encompasses a wide-ranging review of the subject organizations and their relationships with government.

2.3.2 Issues that impact most substantially on the profession of architecture and related professions in the construction industry are more narrow however, and are essentially dealt with by the following key recommendations of the draft report:

- > Draft Recommendation 5.1
- > Draft Recommendation 6.1
- > Draft Recommendation 6.4
- > Draft Recommendation 7.1
- > Draft Recommendation 7.2
- > Draft Recommendation 7.3
- > Draft Recommendation 7.4
- > Draft Recommendation 8.3

2.3.3 The RAIA is generally supportive of the thrust of the remaining recommendations of the report, and offers no particular comment on these.

3. DRAFT RECOMMENDATIONS

3.1 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.

- 3.1.1 The RAIAs supports the continued existence of a single independent and well-funded standards development and accreditation agency. While no organization is perfect, Standards Australia has developed substantial expertise, infrastructure and credibility in this role, and should continue in it.
- 3.1.2 This outcome will ensure that standards development procedures and decisions are appropriate, sustainable and independent of the government. It will also ensure the potential for other standards development bodies to operate within a uniform framework to best meet the requirements for establishing and maintaining minimum acceptable standards within an industry.

3.2 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.

- 3.2.1 The RAIAs supports the view that Australia has a key role to play in international fora, and indeed, an obligation to share the benefits of knowledge developed through intellectual rigour in Australia, and to be aware of knowledge developed in other countries.
- 3.2.2 This international knowledge-sharing activity should appropriately be funded by government as it is strongly in the national interest and should not be allowed to create a financial impost on other national interest standards development activities, or on the affordability of Australian Standards (which also relates to Draft Recommendation 6.2).

3.3 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.

- 3.3.1 The RAIA strongly supports the 'presumption in favour' of adopting international standards. Industry and the professions are becoming increasingly internationalised and it can be a source of great frustration when products and systems originating offshore are unable to be used in Australia because of some highly technical non-compliance with a local standard.
- 3.3.2 However, this preference relies on the Australian standards development sector being strongly represented in overseas fora, to maximise the relevance of international standards to the Australian setting.
- 3.3.3 However, the RAIA also recognises the need for assessment of the international v local issue on a case-by-case basis so that differences in development and usage environments are appropriately accounted for.

3.4 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.

- 3.4.1 The RAIA shares a concern that prioritisation of standards development activities has been more ad hoc and less transparent than is desirable. While to some degree this has arisen out of a scarcity of resources and an excessively narrow skill base, it cannot be regarded as an appropriate way forward.
- 3.4.2 However, care needs to be taken that development processes do not become so transparent and open to challenge that standards outcomes are constipated by too many views, or neutralised by too much compromise.

3.5 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.

- 3.5.1 The RAIA has long maintained a concern that co-opting standards can be a lazy, expedient strategy for the drafting of government regulations. Where this can be undertaken too readily, there can be a propensity for over-regulation, or for introducing standards into regulation simply because you can.
- 3.5.2 The architectural profession would prefer to see a reduction in regulation rather than its exponential growth.
- 3.5.3 Nonetheless, the in-principle need for a rigorous, benefit-focused approach to regulatory standards is absolutely supported, and the RIS seems to be the preferred current mechanism for this approach.
- 3.5.4 However, like all accountability mechanisms, RIS processes can be incredibly time and money consuming and can sometimes create delays or produce compromises that are not ultimately in the public interest. Issues of coordinating the regulatory RIS with the standards RIS can also introduce undue complexity and disproportionate delays.
- 3.5.5 The RAIA is thus of the view that the regulatory use of standards should be kept to a minimum, but where this approach is sensible it should not be hamstrung by bureaucratic process.

3.6 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).

- 3.6.1 For the RAIA and the architectural profession, this draft recommendation is almost certainly the most significant in the Draft Report. It is essential that a way is found to provide low cost access to Australian Standards referenced in regulations.
- 3.6.2 Further, the issue of equitable access also needs to be addressed for consumers of standards whose role or occupation requires them to access large numbers of standards, whether regulatory or not.
- 3.6.3 There are currently 162 individual standards referenced in the Building Code of Australia, (total purchase cost more than

\$6,000 with prices ranging from AU\$30 to \$700+ for individual standards). There is also estimated to be in the order of 900 others that architects would need to be able to refer to routinely in the compliant design and documentation of building projects.

- 3.6.4 The annual cost of accessing this number of standards is many thousands of dollars, excluding the administrative cost associated with keeping up with numerous amendments, withdrawals and new standards.
- 3.6.5 Most importantly, the professional liability that potentially accrues to architects as a result of their common incapacity to access all relevant standards is substantial.
- 3.6.6 As some Australian Standards are embodied into regulatory instruments that architects and other building professionals are obligated to use, the RAIA is not alone in seeking ease of access and affordability:

*"HIA strongly supports that Australian standards be accessible at no or low cost. The entire text of all new standards, and any amendments to existing standards, should be available online free of charge. Standards should be readily available to the small businesses which need them."*¹

- 3.6.7 Eminent architect Louise Cox says:

*"A Standard is usually the minimum requirement for a product, a space, a material, or for health issues, comfort and saving of energy, without compromising quality and fitness for purpose. Use of materials and techniques, easier and more efficient ways of building, better ways of procuring a building, making sure all involved understand the process and their part in the construction project are all factors that need to be considered. Standards need to be easily understood, user friendly and should be used as part of the normal building process, not considered as an add-on or extra."*²

- 3.6.8 If Australian Standards are to be allowed to play their legitimate role in the practical implementation of the laws of the land, the Australian Government must develop an effective mechanism to subsidise either SAI Global or architects directly, so that they are not obligated, as at present, to pay horrendous sums of money just to find out what the law actually requires, and even more to maintain this knowledge.

3.7 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

¹ HIA Policy Statement - Australian Standards. 17 March 2006

² Louise Cox, The Global Standard 'Forum' article. February 2004

unnecessary cross references to Standards which make it necessary to purchase multiple Standards documents.

- 3.7.1 Further to comments made in relation to Draft Recommendation 7.3, the RAlA strongly supports this recommendation.

3.8 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.

- 3.8.1 Without extensive volunteer support across most sectors of industry, Standards Australia could not remotely maintain its capacity to develop standards at the present level. The contribution of volunteers represents enormous value to the standards development process. Not only do they give freely of their time and expertise, but they contribute financially through self-funding travel, accommodation and an array of other costs incurred in participating in committee activities.
- 3.8.2 However, many volunteers, (including architects, who are represented on more than 50 Standards committees), are questioning why they should continue to offer volunteer services when the fruits of their efforts go directly to generating a profit for the commercial entity, SAI Global.
- 3.8.3 The RAlA strongly supports the provision of sufficient government support to Standards Australia to allow volunteers on standards development committees (and in many cases the organisations they represent) to be appropriately reimbursed for the reasonable costs of participation.
- 3.8.4 It is morally and ethically unsupportable for the Australian Government to be calling on small professional associations and businesses to effectively subsidise the standards development process, which in many cases then becomes the law and can only be accessed by those same entities and their members at relatively high cost.
- 3.8.5 Failure to recognise this need will ultimately diminish the talent pool available to standards development to an untenable level.

4. SUMMARY

4.1 Key issues

- 4.1.1 Matters of primary concern to the RAIA, arising out of the Productivity Commission's *Draft Report on Standards Setting and Laboratory Accreditation* encompass the following:
- > Recognition of the unique circumstances of professions such as architecture
 - > Cost and accessibility of standards
 - > Use of standards in regulation
 - > Importance of international involvement
 - > Support for volunteer participation

4.2 The unique circumstances of architecture

- 4.2.1 In undertaking their professional duties, architects are potentially required to refer to more than 1,000 Australian Standards. Over 150 of these are directly referenced in the BCA, and thus have the status of law.
- 4.2.2 Virtually no other profession or professional group is exposed to Australian Standards to quite this extent.

4.3 Cost and accessibility of standards

- 4.3.1 The cost to architects of accessing this number of standards is currently prohibitive, without taking account of the administrative demand to monitor changes, amendments and new standards.
- 4.3.2 Government must derive a mechanism that allows reasonable (convenient and low-cost) access to Standards for highly exposed sectors of industry and where access is essential to comply with the law.

4.4 Use of standards in regulation

- 4.4.1 It is highly morally questionable for government to embed standards in the law and then require individuals to purchase them at high cost, simply to be aware of their legal obligations.
- 4.4.2 The construction industry is already heavily regulated and the relative ease of referencing standards in regulations must not be allowed to exacerbate this further.

4.5 Importance of international involvement

- 4.5.1 Australian industry can benefit greatly from the adoption of international standards, especially where there has been a real contribution to the international standard from Australian interests.

- 4.5.2 However, care needs to be taken that local needs are not forgotten by allowing overseas priorities to dictate what can occur in Australia.

4.6 Support for volunteer participation

- 4.6.1 Standards development relies significantly on the support of expert volunteers, including many architects. These must be more effectively supported so that there is no unfair financial penalty arising from participation,
- 4.6.2 The current, unsupported situation is likely to lead to inequity in the development process (only those who can afford a seat at the table get to contribute) and ultimately a diminution of standards development (fewer volunteers for more standards).

5. ACKNOWLEDGEMENT

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