

South Australian Government's response to Productivity Commission Issues Paper - Standards and Accreditation

1. Standards Australia

The South Australian Government recognises the need for appropriate national and international standards, but has some concern about the effectiveness of standards set in some cases.

Standard changes proposed by Standards Australia need to be subject to rigorous cost-effectiveness testing. A standard should reflect an adequate or appropriate level of quality but not necessarily the ideal or best quality. That is, the test for a standard should be whether the product or service, if compliant with the standard, will be reasonably fit for its purpose. Compliance with standards can be costly. That cost is ultimately borne by the consumer or the taxpayer. Changes need to be justified by public benefits.

2. National Association of Testing Authorities

The South Australian Government holds concerns about the current peak status of NATA and questions whether this should be maintained.

Because of NATA's privileged status as the only accreditation authority it is able to make demands on agencies without regard to whether those demands are reasonable either from a cost/benefit or from a standards perspective. Faced with any competitor, NATA would be forced to moderate these demands, with benefit to testing agencies and without compromising standards.

Currently, the time-commitment and the cost of maintaining NATA accreditation are judged to be high when compared with the benefits. There is also concern that accreditation to international standards is required when accreditation to local standards may be all that is needed. The peak status of NATA is also considered to create a difficulty in case of a dispute between NATA and the agency concerned.

In particular, in the field of health care, the South Australian Government considers that accreditation must be seen in context. It is crucial that the NATA process for pathology laboratories retain its links with the Royal College of Pathologists of Australia. More broadly, attention could usefully be paid to inclusion of outcomes and risk-management analysis to what is otherwise a process-based system.

In the context of trade measurements, there is a concern that NATA is involved inappropriately. NATA's focus is, quite properly, on quality assurance and not on legal metrology, which is the responsibility of the National Measurement Institute. This suggests that NATA should not play a role in the accreditation of trade standards laboratories, as the cost of this intervention is not justified by any additional public benefits. Indeed, the presence of both NATA and State trade-measurement authorities in the marketplace is apt to confuse traders, because measuring instruments that have been tested for quality assurance by organisations using NATA guidelines may still not meet the prescribed minimum requirements of NMI pattern approvals. The trader believes he is compliant when he is not.

In summary, the South Australian Government would encourage a rigorous review of NATA's current role and whether its peak status can still be justified.