

**PRODUCTIVITY COMMISSION REVIEW OF  
AUSTRALIAN GOVERNMENT'S RELATIONSHIP WITH  
STANDARDS AUSTRALIA (SA) AND THE NATIONAL ASSOCIATION OF  
TESTING AUTHORITIES (NATA)**

**Comments submitted by the Australian Government  
Department of Agriculture, Fisheries and Forestry (DAFF)**

The two areas of DAFF that have the most significant interactions with NATA are the Product Integrity, Animal and Plant Health (PIAPH) Division and the Australian Quarantine and Inspection Service (AQIS) and details of each area's interactions with NATA are given below. AQIS also has significant input to the development of food related standards work undertaken by Standards Australia. The interaction insofar as the ToRs of this review are provided.

## **1 PIAPH**

### **1.1 National Residue Survey (NRS)**

#### **Background**

The Australian government established the National Residue Survey (NRS) in the early 1960s following pesticide residues being detected in exported meat. Since then NRS has expanded from testing of meat to other commodities, including grain, horticulture, animal products, fish (wild caught) and aquaculture.

The purpose of the NRS is to facilitate export and domestic market access for participating industries by:

- providing residue testing services that are technically sound, risk based and structured to meet market requirements within the specified budget; and
- providing scientific advice on residues and the management of residue related issues.

NRS delivers services to clients within the policy, legislative and administrative framework of the Australian Government. Services provided include:

- random residue monitoring projects covering residues of agvet chemicals and environmental contaminants in food, and inputs to production (including from the environment) that may affect Australian agricultural and fisheries industries;
- targeted monitoring, compliance and residue prevention projects that provide data that quantify the occurrence of particular residues or contaminants and that identify and manage their sources;
- support for projects that underpin industry quality assurance programmes;
- technical advice to industry and government on residue issues;
- reports to Parliament, industry and other stakeholders on the financial management and results of random monitoring projects; and
- policy advice and administrative support to Ministers and the Australian Government.

The key clients of the NRS are:

- participating industries;
- Ministers;
- Australian, state and territory government authorities; and
- trading partners.

NRS random residue monitoring data facilitates certification of commodities for export (where this is required) and compliance with requirements for domestic consumption. This assists participating industries to maintain long-term access to, and competitive advantage in, important export markets and to conduct promotions in new and potential markets. NRS results also serve as a yardstick against which industry-operated quality assurance schemes can be validated.

NRS results are available soon after chemical analyses are completed. Results are reported regularly to industries and relevant state or territory government authorities. The red meat industry is also exploring options with NRS to provide NRS results directly to producers for their product, as part of their industry quality assurance programmes.

The state or territory authority where the sample originated are immediately notified if a sample exceeds the Australia New Zealand Food Standards Code (ANZFSC). It is the role of the state or territory authority to conduct a traceback to the property of origin to prevent further contraventions of the ANZFSC.

### **NRS Relationship with NATA**

NRS has a long standing and close working relationship with NATA, particularly since 1993 when government policy required laboratory services to be procured by open and competitive tendering processes. Eligibility to tender for NRS contracts requires laboratories to have or gain NATA accreditation of their specific test methods. NRS itself gained NATA accreditation as a Proficiency Testing (PT) Scheme Provider in April 2005. In both cases accreditation is to the relevant standards, AS ISO/IEC 17025 “*General Requirements for the Competence of Testing and Calibration Laboratories*” for the former and ILAC G13:2000 “*Guidelines for the Requirements for the Competence of Providers of Proficiency Testing Schemes*” for the latter.

NRS also provides PT programs for industry on a fee-for-service basis and in support of the industry’s own national residue testing programmes. A member of NATA’s subsidiary organisation Proficiency Testing Australia (PTA) is a member of the NRS Laboratory Performance Evaluation (LPE) Committee. This Committee plays a major role in assessing and ranking the analytical performance of laboratories testing chemical residues for NRS and industry programs.

An NRS staff member is the DAFF representative to the NATA Council and NRS staff are also technical assessors and have been members of the NATA Proficiency Testing Advisory Committee (PTAC) and Chemical Testing Accreditation Advisory Committee (CTAAC) in recent years.

#### *NATA's Role in the NRS Laboratory Procurement Process*

NATA accreditation is one of the cornerstones that underpin the NRS laboratory procurement and performance monitoring system as NRS requires that each test method covering the specific combination of analytes and matrices specified in an NRS analytical testing contract be covered by the scope of the laboratory's accreditation, by NATA, or international equivalent where the laboratory is located outside of Australia.

NRS activities are regularly reviewed by Australia's overseas trading partners, mainly from the United States Department of Agriculture (USDA) and the European Commission (EC). On each occasion the reviews of Australia's residue monitoring system includes an audit of the NRS contract laboratories providing analytical services relating to agricultural veterinary chemicals. Key elements of the NRS laboratory procurement process are NATA accreditation to AS ISO/IEC 17025 of test methods used by NRS contract laboratories, demonstrated performance by NRS contract laboratories in NRS proficiency tests, accreditation of NRS as a PT provider to ILAC G13:2000 and NATA's signatory status to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Agreement (MRA).

Accreditation to AS ISO/IEC 17025 is internationally accepted as demonstrating that a laboratory operates an appropriate quality system, is technically competent and is able to generate technically valid results. Furthermore, it is well recognised and accepted internationally that analytical test methods covered by an accreditation to AS ISO/IEC 17025 by *bona fide* accreditation bodies in countries that are signatories to the ILAC (International Laboratory Accreditation Cooperation) global Arrangement (MRA), provide the basis by which test methods can be accepted as having equal technical validity, irrespective of whether the methods themselves are identical.

The fact that NRS laboratories are NATA accredited to AS ISO/IEC 17025 for specific tests was a major contributor to the USDA Food Safety Inspection Service (FSIS) recently accepting that methodology used by Australian laboratories for regulatory monitoring purposes is equivalent to the USDA FSIS system of using prescribed methodology for similar analyses.

#### *NATA Accreditation of NRS as a Proficiency Testing Scheme Provider*

NATA accreditation of NRS as a PT provider against the relevant international standard (ILAC G13:2000) ensures that NRS Proficiency Testing programs are recognised within both the Australian and international laboratory community as meeting internationally accepted standards in regard to technical competence and ability to establish the proficiency of participating laboratories.

#### *Summary of Key Elements of The NRS Laboratory Procurement and Performance Evaluation System*

- Laboratories selected by open competitive tender
- methods not prescribed to maximise pool of potential contract laboratories and enable the use of the most up to date technologies and instrumentation
- NRS requires that specific tests be accredited by NATA against criteria in the international standard ISO/IEC 17025
- NATA is itself accredited against criteria in the international standard ISO/IEC 58
- NATA full member of APLC and ILAC and is a signatory to the ILAC Mutual Recognition Arrangement (The ILAC Arrangement)
- contracted analytical laboratory testing accreditation process involves 3<sup>rd</sup> party independent audit by NATA staff and technical experts with relevant experience
- method validation is performance-based and meets ISO/IEC 17025 and NATA supplementary requirements
- NRS accredited by NATA as proficiency testing scheme provider against the international standard ILAC G13-2000
- comprehensive proficiency testing scheme underpins NRS' performance-based system
- mandatory participation in relevant and programme specific PT required by all potential contract laboratories to demonstrate their analytical capability and establish eligibility to tender
- mandatory participation by all contract laboratories required in ongoing proficiency testing during the entire contract period
- proficiency testing oversighted by the NRS LPE Committee
- contract laboratories selected by a tender panel in a confidential process
- more weighting given to demonstrated analytical performance than other assessment criteria in the tender evaluation process

#### NATA's International Activities

NRS benefits greatly from NATA's international activities as it enables NATA to have direct input into the development of new international policies and contribute to the revision of existing international guidelines relating to laboratory accreditation procedures and processes involving accreditation of proficiency testing scheme providers. NRS' relationship with NATA, and NATA's full membership of the Asia Pacific Laboratory Accreditation Cooperation (APLC) and the International Laboratory Accreditation Cooperation (ILAC), has also provided NRS with several opportunities to contribute either directly, or indirectly, in the revision of international standards and guidelines of relevance to NRS activities. For example, NRS staff are currently members of the ILAC Proficiency Testing Consultative Group revising aspects of both ISO/IEC Guide 43 "*Proficiency Testing by Interlaboratory Comparisons, Part*" and ILAC G13:2000 "*Guidelines for the Requirements for the Competence of Providers of Proficiency Testing Schemes*" (in relation to the requirements for demonstration of homogeneity and stability of proficiency test samples).

NRS believes that Australia's interests could be further enhanced if NATA's international activities were increased to include representation on relevant CODEX Alimentarius Commission committees. It is with this in mind that the Leader of the

Australian delegation to the CODEX Committee of Methods of Analysis and Sampling (CCMAS) recently approached NATA to strongly encourage their future participation in CCMAS meetings as this committee formulates and promulgates international policies and guidelines relating to the testing requirements for food commodities in international trade.

#### NATA's Government Imprimatur

The fact that NATA is not a government organisation but has the governments' imprimatur is seen by NRS as a positive. This demonstrates to Australia's trading partners (e.g. USDAFSIS, EC) that the Australian residue monitoring system involves 3<sup>rd</sup> party non-government accreditation of laboratories conducting government testing and that the accreditation process is independent of government influence. If accreditation was awarded within government, it might be perceived that there was government interference in the accreditation process. There may be a perception that a government accreditation body may accredit laboratories involved in testing for regulatory monitoring (i.e. government) purposes more readily than laboratories involved in other testing.

#### NRS and DAFF input into NATA's accreditation process

NRS has had significant opportunities in recent years to have direct input into NATA's accreditation process through the provision of NRS staff as members of NATA accreditation advisory committees and volunteer technical assessors in accreditation fields relating to chemical analysis and proficiency testing. It is through these mechanisms that NRS has been able to ensure that technical issues relating to its ability to deliver appropriate national residue monitoring programs in support of Australia's export industries are raised and resolved. For example, issues relating to the demonstration of fit-for-purpose homogeneity and stability of proficiency testing samples as required in the ILAC G13:2000 standard were first raised by an NRS representative through NATA's Proficiency Testing Scheme Providers Accreditation Advisory Committee (PTSP AAC) and are now being resolved through NATA's and NRS' membership of the ILAC Proficiency Testing Consultative Group.

As an NRS staff member is also the DAFF representative to the NATA Council, NRS has been able to ensure that both NRS specific and wider DAFF concerns relating to microbiological, biological and chemical testing accreditations have been brought to the attention of NATA council members and the NATA Board for consideration and resolution. NATA's support of NRS and AQIS in the preparation of recent equivalence submissions to the USDA FSIS, for chemical residue and microbiological testing of Australian beef for export were first brought to the attention of NATA through the DAFF representative to the NATA Council. In both cases, NATA's role in the process of developing Australia's Equivalence Submissions was a major contributor to the acceptance of the submissions by FSIS.

NATA, through its MOU with the federal government, its Mutual Recognition Agreements (MRA) with other international accreditation organisations and its activities in the international arena continues to ensure acceptance of Australia's laboratory system by trading partners, particularly the EC and US, as equivalent to, or exceeding, their own and meeting international requirements.

NATA is an integral component of the NRS' system of laboratory procurement and performance monitoring – through accreditation of contracted analytical laboratories and NRS itself as a provider of proficiency testing services. NATA accreditation against international and Australian standards ensures the accuracy, credibility and international acceptance of test results generated by complying laboratories.

## 1.2 Office of the Chief Plant Protection Officer

### **Background**

The Plant Health Committee (PHC) established a subcommittee, the Subcommittee on Plant Health Diagnostics (SPHDS), in November 2004. SPHDS aims to improve and sustain the health of plants and plant products through the development of a laboratory accreditation system and diagnostic standards for exotic plant pests and diseases. SPHDS is administered in OCCPO, the latter providing office facilities and initial funding of an Executive Officer. SPHDS is comprised of three groups, one of which is the Accreditation Working Group (AWG).

### **OCPPO/PHC Relationship with NATA**

AWG is committed to establishing, promoting and providing technical support to a national plant health diagnostic laboratory accreditation scheme which is consistent with international standards and is endorsed by the Plant Health Committee. The National Association of Testing Authorities (NATA) was selected as an appropriate accrediting body to manage and audit the plant laboratory accreditation scheme, as it also manages the complimentary animal laboratory scheme. SPHDS has developed a draft Field of Accreditation Document (FAD) in consultation with NATA. Once the consultation process is completed the document will be forwarded to NATA for their consideration and adoption. It is anticipated that the OCPPO/PHC relationship with NATA will expand as development of the accreditation scheme progresses.

## **2 AQIS**

### **Background**

The Australian Quarantine and Inspection Service (AQIS) is part of the Australian Government Department of Agriculture, Fisheries and Forestry. AQIS provides quarantine inspection for international passengers, cargo, mail, animals, plants and animal or plant products (including food) arriving in Australia, and inspection and certification for a range of agricultural products exported from Australia. AQIS's import and export inspection and certification is essential to maintaining Australia's highly favourable animal, plant and human health status and access to export markets. Quarantine controls at Australia's borders also minimise the risk of exotic pests and diseases to protect Australia's agriculture industries and environment.

Export inspection and certification contribute to Australia's meat, horticulture, grain, fish, dairy, organic and live animal export industries, worth an estimated \$32 billion a year.

AQIS and other areas of the Department work with industry and trading partners to gain, improve and maintain market access for agricultural commodities, and AQIS participates in international forums to develop policies and standards for trade in food products

### **AQIS Relationship with NATA**

Chemical residue and microbiological testing of exported products is an integral part of maintaining market access and ensuring food safety. Many importing countries (including some of our largest markets such as the US and Japan) require products to be tested before export certificates are signed. In many overseas countries testing of food products is undertaken in government laboratories. Australia has moved away from this type of system to a more flexible and cost-effective one where AQIS, as the competent authority, oversees testing conducted by a range of government and commercial laboratories. NATA accreditation is a central requirement to ensure the integrity and acceptability of test results by overseas regulators. For some testing, AQIS may also oversee laboratory accreditation by NATA through its own audits of a select number of laboratories.

AQIS also undertakes testing of imports under the *Imported Food Control Act 1992*. Chemical and microbiological testing is undertaken on a wide range of food products. As regulatory decisions are made based on the results of tests, AQIS appoints analysts to conduct imported food testing. An important condition of appointment is NATA accreditation, to ensure the integrity and acceptability of test results for regulatory decisions, and to provide confidence to both importers and the Australian public.

#### *AQIS Testing Programs*

As stated above AQIS oversees a range of testing programs. Examples of testing carried out and relied on by AQIS for certification of export commodities include:

- AQIS carcass *Salmonella* and *E. coli* monitoring program [ESAM];
- Microbiological testing of meat and meat products using AQIS approved methods and laboratories;
- National Residue Survey [NRS] Random Monitoring Program for chemical residues (see NRS submission);
- Australian Milk Residues Analysis [AMRA] Survey conducted by Dairy Food Safety Victoria on behalf of the dairy industry; and,
- Testing of shellfish under the AQIS Australian Shellfish Quality Assurance Program.

Examples of testing carried out and relied on by AQIS for testing under the conducted AQIS Imported Food Inspection Scheme include:

- Microbiological testing of dairy products, meat and meat products, coconuts, tree nuts, seafood, sesame seeds and sesame seed products, pepper, spices, egg and egg products, vegetables, plant products, confectionery, cocoa powder, chocolate, malt extracts, bakery products, tofu, and waters;

- Heavy metal testing of seafood, nuts, nut pastes, hijiki seaweed, dates, sultanas, figs, vegetables, cereals, and chocolate;
- Histamine testing of seafood, and fish meal;
- Biotoxin testing of seafood;
- Aflatoxin testing of nuts and nut products, and cereals;
- Patulin in apple and pear juice;
- 3-MCPD and 1,3-DCP in soy sauce, oyster sauce and soy sauce powder;
- Agricultural and veterinary chemical residues in honey, meat and meat products, seafood products, dairy products, vegetables, fruits, cereals, oilseeds and sauces;
- Sulphur dioxide in dried fruits, preserved vegetables, crustaceans, and wine;
- Phosphatase in milk and cream;
- pH in fermented milk products, and thermally processed hermetically sealed vegetable products;
- Food colour screening of confectionery; and
- Intense sweeteners in preserved fruits and vegetables.

A range of active and passive disease surveillance programs also underpin Australia's favourable animal health status and listing of freedom from many exotic animal diseases by the OIE, the world animal health organisation. Testing is undertaken at NATA-accredited government and private laboratories to facilitate recognition of these programs by overseas regulators.

#### *AQIS Approved Laboratory Program for Microbiological Testing of meat and meat products*

To further strengthen the relationship between NATA and AQIS, a Deed of Agreement was signed early in 2006 detailing the role that NATA would play in the AQIS Approved Laboratory Program. This program was developed in response to requests from the US for more AQIS oversight of microbiological testing as part of export certification of meat and meat products. The volume of microbiological testing required by importing countries is increasing. AQIS has introduced a system whereby testing must be conducted in AQIS approved laboratories using AQIS approved methods. NATA, through the Deed undertakes assessment of and accredits laboratories testing export products. Accreditation by NATA is a key requirement in becoming an AQIS approved laboratory. Laboratories are also required to participate in a NATA endorsed proficiency-testing program. Testing under the ESAM program must also meet these requirements.

AQIS through its Microbiology Program oversees the activities of NATA ensuring that AQIS as the competent authority can be confident that the testing programs deliver results that meet importing countries requirements.

#### *Shellfish for Export*

The Australian Shellfish Quality Assurance Program Export Standards (2004 Edition) requires that laboratories performing analytical microbiological, chemical and biotoxin examinations are accredited with NATA for the specific type of analysis, evaluated in accordance with the NATA laboratory evaluation program and participate in the NATA proficiency testing program.



*NRS Random Monitoring Program for chemical residues and the Dairy Industry AMRA Survey.*

AQIS has an oversight responsibility for both programs where they relate to commodities that rely on such testing for certification. Consistent with AQIS policy for testing, NATA accreditation is required for laboratories undertaking testing within these programs. AQIS endorses the comments from the NRS under section 1.1 detailing the relationship between NATA and the NRS.

*Veterinary Laboratories*

The Subcommittee on Animal Health Laboratory Standards (SCAHLs), a subcommittee of the Animal Health Committee, seeks to promote the application of best practice to veterinary laboratory procedures. To this end, SCAHLs has worked with NATA to develop the scope for accreditation in the field of veterinary testing and all veterinary laboratories undertaking testing to support export certification are now NATA accreditation.

*NATA's Government and International Standing*

AQIS must be able to demonstrate confidence in tests results which form part of certification or in its regulation of imports whether testing is conducted by government or commercial laboratories. This is particularly true in the case of AQIS certification of exports. The export certification programs of AQIS are regularly and increasingly reviewed to ensure AQIS certification meets the requirements of overseas regulators. Reviews, particularly by the USDA and the European Commission (EC), include audits of testing relied on by AQIS for certification. Confidence in the competence and expertise of the laboratory accreditation body is a concern to both AQIS and overseas regulators. Australia has a relatively small pool of technical expertise in some areas of testing and AQIS considers that a move to multiple accreditation providers may result in smaller accreditation bodies that may not be able to maintain the necessary level of technical expertise required to deliver credible accreditation services.

Recognition of the role of NATA in provision of accreditation services through the MOU with the Federal Government provides a strong message of confidence in NATA. Additionally the fact that NATA is a member of APLC and ILAC and has Mutual Recognition Agreements covering A2LA (a US accreditation body utilised by USDA) and a variety of other international accreditation bodies is important to recognition by trading partners of NATA accreditation of testing laboratories.

## **AQIS AND STANDARDS AUSTRALIA**

This section describes the interaction between AQIS and Standards Australia in the context of the Terms of Reference of the Productivity Commissions Review. The section deals only with standard setting, and excludes laboratory accreditation.

### **History of AQIS with Standards Australia**

AQIS has had a long association with the development of Australian Standards through the many food related committees.

Since 2003 and the devolvement of certification and other business activities conducted by SAI Global, the Standards Australia “food” committees have been reconstituted and now for the most part parallel ISO food committees. AQIS is represented on many of these, including the FT 024 which is the primary Food Committee. An AQIS officer is a member of the Food Sector Board of Standards Australia.

The outputs in which AQIS has played a role, range from guidelines on the implementation of quality management standards, through to specific analytical methodology. The standards promulgated were, and in many cases remain, a significant point of reference for food regulatory matters.

The considerable involvement of AQIS within relevant Standards Australia committees is a reflection of the importance AQIS places on standardisation for food business and market access.

The SA Food Committees now routinely assess the appropriateness of ISO standards for direct adoption in Australia, and many ISO standards have replaced previously developed Australian Standards. This is, in part, a reflection of the recognition of the importance of ISO standards in trade facilitation and Australia’s role in global food trade.

#### **a) Efficiency and effectiveness of standard setting.**

With the shift to adoption of ISO standards there is a significant burden placed on the relevant committee members to assess the appropriateness of ISO vs. existing Australian Standards. Inefficiency in this process is apparent when, for example, the ISO standard is imprecise or lacks some technical point covered in AS. This creates the undesirable situation where the AS is at odds with the existing ISO standard and the process for achieving a small, yet important amendment in ISO may take considerable time and resources.

The current MoU (Article 5.6) allows for an AS to depart from an ISO standard when supported by publication of a compelling reason. However, the most efficient solution would be attained by early and strong representation on the ISO committees preparing the standards. This would avoid the situation described above, and obviate the need for declaration of non-alignment with ISO, should the matter be of sufficient significance to warrant deviation.

While Article 5.11 of the MoU stipulates that Standards Australia has an obligation to provide resources (subject to availability) it is clear that resources are not sufficient to enable consistently strong Australian input at all the relevant ISO meetings. It may be argued that providing well constructed comments is sufficient representation; however this becomes inefficient when there is no delegate to argue the Australian case at the meetings where decisions are made. A great deal of time can be wasted in developing comments and an Australian position which can be overlooked unless presented and argued within ISO meetings.

Another problem that can be considered an inefficiency is the situation where an AS does not have a parallel ISO standard. While this creates a splendid opportunity to propose new work within ISO, and thus drive the international standard setting process, the expense of this option (which is not necessarily funded by Standards Australia) may be prohibitive. The AS which may well be innovative and technically impeccable will not be recognised internationally and cannot be used to deal with possible technical barriers to trade. An example for the food standards area is the series of standards developed by FT – 024- 01 for the determination of equivalence of microbiological methods. This work has significant technical merit, but has no authority in international trade as long as it remain an AS, and not an ISO norm. It is in the national interest to promote the development of a mirror ISO standard, but to fund such a proposal is not within current budgets of Commonwealth or State and Territory authorities.

**b) The appropriate role for the Australian Government in relation to standard setting**

This response deals with the questions raised in the Issues Paper and is confined to the food standards area.

*What is the appropriate role for Australian Government within current standard setting process?*

Government forms the link between the World Trade Organisation (WTO) and the Australian implementation of the obligations contained within its Agreements. In the case of food, the Sanitary and Phytosanitary Agreement (SPS) and Technical Barriers to Trade Agreement (TBT) Agreements are particularly relevant. The existing MoU between the Commonwealth and SA (Article 3.3) demands that SA complies with the obligation of the TBT Agreement, but it will remain the Commonwealth Government's role to make representations to the WTO on behalf of Australia and engage in any negotiations. This means that broad international obligations, of which standard setting is an integral part, will remain Government role.

In the realm of food standards, FSANZ is the body that develops mandatory food standards. Nevertheless, embedded within the regulatory standards are Australian Standards, mainly in respect of analytical methods. These Australian Standards are developed by expert committees, which generally include Government representatives. The role of government is to ensure that standards address the requirements in mandatory standards and are enforceable. The existing structures in SA facilitate this. Government, (as any other individual or organisation) can seek new

standards work by SA where the proposal may not fit within the FSANZ objectives, yet a need exists for a credible standard in Australia.

There may be a role for government in undertaking more analysis of the standards (broad aim and technical content) developed or reviewed by ISO. The role could be to ensure that SA appoints appropriate mirror group and has a position at each of the steps within the ISO system. Considering that these standards will, in all probability, be accepted by Australia, it is a function that is growing in importance and it not necessarily within the scope of SA.

*What difference would it make if the Government had no influence on the work of SA?*

It would seem improbable that this would be the case.

There 2 main perspectives to Government influence on work of SA. At the broadest level are international obligations.

The TBT Agreement makes it clear in Article 2.6 that WTO members are obliged to... *“play a full part, within the limits of their resources, in the preparation by appropriate international standards for products for which they either have adopted or expect to adopt, technical regulations.”*

Currently this function is delegated to SA and is captured in the MoU (Article 4.2) This recognised SA as the Australian peak body that operates as our member of ISO IEC and PASC. Nevertheless it remains a Government role to ensure that the work of SA conforms to our international obligations. To this end Government must retain influence on work of SA or any other body engaged in standard setting, insofar as international agreements demand.

At the technical level, certainly with in the food standards development, the influence of Government has been instrumental in initiation of a great deal of work. Given the gradual separation of technical regulations from the Food Standards code, (which is now focussing on food safety measures) Government’s role and influence in SA work will remain important.

*Should any of the function of standard setting be performed by government or private market?*

See b) – Food regulatory standards are created through formalised systems, which do not involve Standards Australia. There are many other Government sectors which promulgate standards. It is the voluntary standards area where there may be a role for other organisations.

Considering our international obligations, encouraging multiple standard setting organisations within Australia would result in significant inefficiency, including the need for mechanism to manage, for example, duplication of effort, primacy in international fora (ISO) etc.

**c) Appropriate terms for MoU between the Australian Government and Standards Australia**

The MoU requires updating to reflect the current situation. For example the existing MoU refers to “Standards Australia International”. It is now “Standards Australia”.

Considering the link in the TBT Agreement to that of “standardising bodies” it is rational to have a single peak body recognised as the Australian Standardisation body. The MoU should continue to reflect this in similar terms as Article 4.1 of the MoU. See also comments at b) in respect of consequences of the removal of special peak body status.

**d) Appropriate means of funding activities of Standards Aust deemed to be in the national interest.**

The response to a) above, notes that there needs to be a much greater emphasis on Australian participation in development of ISO standards. While there is a budget within SA for this, it needs to be reviewed, keeping in mind the growing importance of ISO standards and technical regulations in domestic and world trade.

A budget for initiating and hosting ISO working groups in Australia should be provided.

Where there is a clear national interest, particularly where this accords with the international trade policy effort, it would seem appropriate that Commonwealth budget allocation should cover this. Currently this is not the case.