

Thornthwaite Technologies submission

To the

Federal Government's Productivity Commission

Standards and Productivity Study

1. Executive Summary

The following document is a submission to the Productivity Commission's Standards and Productivity Study. Thornthwaite Technologies, an Australian company and its international partners have used the services of Standards Australia, NATA approved laboratories and SAI Global for many years. Some of the issues that we have encountered:

- Standards approvals process has thwarted innovative and in-demand products from being approved to Australian Standards. This has resulted in end users not being able to obtain the products that best fulfill their needs.
- Approvals to Australian Standards is very expensive. Whilst products that are manufactured on a mass scale can absorb these costs, products that fill a niche may not be able to absorb these costs.
- There is a view that in many cases Australian Standards act as a trade barrier
- Approvals process is unnecessarily lengthy.
- There is a lack of policing of products to Australian Standards which results in non approved products being sold

2. Background

Thornthwaite Technologies Pty Ltd is a leading supplier of commercial bathroom and plumbing products as well as various industrial products. Founded in 1933, the company is Australian owned and distributes products to all states and territories. Some of our products include Rada and Presto which are world leaders in water efficient bathroom products. All 3 companies have had many experiences with the approvals process to Australian Standards.

The following sections outline various issues that we have encountered in the Australian Standards process.

3. The auditing process

As part of the plumbing product certification to Australian Standards, our international partners and manufacturers are audited on a regular basis by SAI Global. As part of (or more correctly as we see it, *in addition*) to conducting the product certification audit, SAI Global also audits our manufacturers' ISO9000: 2000 quality system during the audit visit. This is despite the fact

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that our manufacturers are certified to ISO9000: 2000 and are already audited by another organization on a regular basis to this quality system.

The product certification audit generally takes 2 days and our manufacturers have to dedicate valuable resources for the audit. Our partners also have to produce a separate Quality Plan SAI Global referencing ISO9000 and the relevant product standard. We consider that auditing the quality system during the product certification audit is doubling up and adds to time and costs.

Recommendation

As part of the plumbing product (and other product) certification audit:

- Where manufacturers that are currently certified (and audited) to the ISO9000: 2000 quality system, the quality system does not need to be re-audited during the plumbing product certification audit. As a result of this, the standard time required for product audits be reviewed.
- Where companies are not certified to the ISO9000: 2000 quality system, then their quality is audited when plumbing certification audits take place

4. Cost of approvals, new and Innovative products

Our companies develop innovative plumbing products. Since some of these products are quite unique, there has been no Australian Standard for them. To gain some sort of approval has proved to be very difficult and costly. Certifying products to Australian Standards is extremely expensive and adds to the cost that Australian customers pay. We have had customers who have special requirements from time to time, which requires specific products. However if the product does not have Australian Standards approval we may not be able to supply them with these products. It is simply too expensive and time consuming to get these products approved to Australian Standards, even though they meet the needs of our customers.. Added to this problem is the length of time that it can take to go through the process with SAI Global.

Recommendation. Have a system that is less costly and more accepting of approving innovative products.

8. Acceptance of previous test reports

Acceptance of results (or the lack of it) is common with approvals bodies throughout the world and we consider this is partially due to protectionism and partly the fact that every approval body considers their standards to be better than others elsewhere. When testing plumbing products to Australian Standards we continuously find they have previously done these tests (or very similar tests) with the same certified testing laboratory. However they are required to do tests again which again add to the costs.

Recommendation: Accept either in full or partially test reports from the same test laboratory.

5. Communication with SAI / SAI structure

When SAI Global auditors are overseas auditing companies for product certification to Australian Standards, this can be for extended periods of time, eg a month. This makes it difficult to communicate with these auditors when they are overseas. This often results in delays in getting products approved to Australian Standards. Since we are paying a large amount of money, we expect a higher level of service.

Recommendation: Having case managers permanently based in Australia so that there are no extended periods in lapses of communication

6. Policing of standards

It is a very expensive exercise approving plumbing products to Australian Standards. However there appears to be very little policing of products to the standards, resulting in non Australian Standards approved products in the market. These products are generally inferior in quality and may not meet the requirements of the standards. They are also cheaper. In our experience, there are many contractors in the market place who are driven by price and we have found there are contractors and resellers who will sell products not certified to Australian Standards.

This is putting the Australian public in a compromised position as they are receiving products that do not meet our national standards. A system is only as good as its enforcement and policing.

Recommendation: That the Australian Government provide adequate and significant resources to ensure the Australian public receives the public benefit requirements of having Australian Standards.

7. Conclusion

Australian Standards are important to ensure that products supplied meet the needs of Australians. They are vital part of the future development of the nation. I consider that points outlined in this document will enhance the Standards process in Australia. If further information is required, please contact the author.

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