



**WATER SERVICES ASSOCIATION  
OF AUSTRALIA**

30 August 2006

Ms S Holmes  
Study Director  
Standard Setting and Laboratory Accreditation Study  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616  
**Sent via email: standards@pc.gov.au**

Dear Ms Holmes

**Productivity Commission Draft Research Report into Standard Setting and Laboratory Accreditation**

Thank you for the opportunity to comment on the Commission's draft report and in particular its recommendations. We would like to congratulate the Productivity Commission on covering the issues in the draft Research Report in such a comprehensive and robust manner.

The Water Services Association of Australia and Standards Australia have recently signed a Project Management Services Agreement, which we understand is the first 'partnering arrangement' to be formalised between Standards Australia and an industry body (see Recommendation 8.4). We believe that this agreement will streamline Standard Setting, making it more receptive to industry needs.

**Standard setting**

Overall the Water Services Association of Australia supports the draft recommendations. However, we would make the following observations and comments that you may consider in formulating the final recommendations:

Draft Recommendations 7.3 and 7.4 seem to rely upon the premise that by not referencing or minimising the number of referenced standards, costs will be reduced. It would be our advice from experience that practitioners operating in a regulated or unregulated environment have a duty of care to conduct their activities, whatever they may be, in a manner that minimises risk (financial, environmental, health etc) and that the cost of access to standards pales into insignificance when balanced against other costs and when compared to the consequences related to that risk. We would contend that the issue of cost of access to Australian Standards is greatly exaggerated.

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Draft Recommendation 8.1 touches upon stakeholder representation in Committees. It is suggested that an additional dot point:

- *increasing the participation of regulators and other government interests;* should be included for the following reason—many Committees within the water sector develop standards on behalf of regulators and to address issues where government departments and government supported bodies such as the NHMRC are principal stakeholders. Yet these government entities are conspicuous by their absence in participating and demonstrating commitment to the process of standards development.

Draft Recommendation 8.3 is at variance with the principles of the process of standards development by stakeholders who voluntarily provide resources, intellectual property, time and attendance costs. If you go down the road of funding participation, Standards Australia will find it very difficult to find adequate funds to meet that demand. It should be the responsibility of the nominating organisation to fund participation, if it believes that is appropriate, based on servicing the interests of its members. If some nominating organisations do not have adequate resources to fund participation, governments and not Standards Australia should provide that funding.

It has been our experience that whenever small business and consumer representatives are given the opportunity of contributing to standards development, it is not the travel and accommodation expenses that impedes their participation but the costs of the processes to support a position, which requires research, analysis, facts and figures and the like.

We also wish to correct a reference that was made to the initial WSAA submission.

The Section of the draft Report addressing “Do technical committees have balanced representation” references the Water Services Association of Australia, sub. 60, p. 2 in paragraph 2 of page 123. Unfortunately, the point being made in the WSAA submission has been misunderstood.

Our comments on the Standards Development Process in part stated:

*Representation from end-users, consumer groups and regulators (Commonwealth, state and territory) remains a continuing problem in Australia with most technical committees being dominated by commercial interests, who generally do not caucus with the membership of their nominating organisations. However, there are exceptions and we would nominate the Plastics Industry Pipe Association (PIPA) as being an excellent model for a manufacturers’ industry association contributing to standards development.*

The “good model” that we referred to relates to the “nominating organisation” and not the “technical committee”. It has been our experience that many nominating organisations do not have a process in place to caucus the views of their members so that their representative on the technical committee can provide “the industry point-of-view” as opposed to “the parochial view” of the representative and/or his/her employer.

It is not uncommon in technical committees to have representatives from a nominating organisation putting opposing views on an issue and even voting in opposing ways in the ballot of a standard, often to support a “company specific position” rather than an “industry agreed position”. An example of this situation

commonly occurs where one committee member may represent a local manufacturer while the other member may represent an overseas manufacturer, with both representatives being nominated by the same industry association.

Further, it has been our observation that some industry associations, despite representing a variety of local and overseas manufacturing interests e.g. the Plastics Industry Pipe Association (PIPA), have recognised this potential “failure of process” and have addressed it successfully through mechanisms that occur within their membership prior to the committee meetings.

It is our recommendation that all nominating organisations should be required to demonstrate to Standards Australia that they have processes in place to ensure that their technical committee representatives communicate with their nominating organization members and, as appropriate to the issues under consideration, caucus this membership to establish an industry position on issues relevant to the standard being developed.

### **Laboratory Accreditation**

WSAA was extremely pleased in the manner in which the Productivity Commission grasped the strategic issues associated with laboratory accreditation and we are generally in full agreement with the conclusions you have drawn and the associated recommendations.

As we indicated in our submission, high quality laboratory performance is crucial to an industry that has a major impact on the public health of the community.

The NATA model of laboratory accreditation is well understood by utilities and is extensively relied upon to provide the “stamp” of quality.

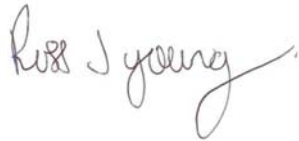
Nonetheless, WSAA has submitted that an improved laboratory proficiency testing and assessment model can strengthen the current accreditation system. WSAA believes the commission has accurately captured the issues associated with laboratory proficiency and supports the recommendations outlined (particularly in chapter 12) to improve the proficiency testing process and links with accreditation.

We have also noted that the Commission has indicated there are difficulties in ensuring a more transparent model on the performance of laboratories in proficiency testing, but to some extent this may be overcome by greater involvement of clients in NATA’s advisory committees (Recommendation 12.3). We would agree with this recommendation, but we would go further and indicate that feedback to laboratories on the overall performance of methods, equipment, detection limits etc. via workshops or other means will provide benefits in overall improvement in laboratory performance.

This “educational role” for proficiency testing is currently not emphasised to any great degree in current programs, but formal establishment of such a program within the proficiency testing area would significantly improve the confidence and understanding of both laboratories and clients in regard to the quality of laboratory results.

Thank you for the opportunity to provide input again into your current inquiry and please do not hesitate to contact WSAA on 03 9606 0678 or via email at [ross.young@wsaa.asn.au](mailto:ross.young@wsaa.asn.au) if you require further information.

Yours sincerely

A handwritten signature in cursive script that reads "Ross Young". The signature is written in a dark ink and is positioned below the "Yours sincerely" text.

Ross Young  
**Executive Director**