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Study into Standard Setting and Laboratory
Accreditation
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

1 September 2006

Dear Sir,

Comment on Draft Research Report on “Standard Setting and Laboratory Accreditation” - Productivity Commission 2006

1. These comments are offered on behalf of WTIA, but are not necessarily representative of the views of all our many members. We are very much involved with both Standards Australia and NATA in Australia and internationally. We wish to help the report make for improvements.

Time and staff limitations have not permitted a full review of the draft report. Hence comments are focussed on the Recommendations.

2. A large percentage of Australian trade between states/territories and countries and of the safety and reliability of products, processes and services is dependent on Standards and assurance of conformance ie. conformity assessments (CA). The latter depends on the confidence in the testing and inspection bodies and their personnel and recognition.
3. Thus the report is highly significant. It has taken much effort and has addressed to varying levels the main elements.
4. We agree generally with the overall report and recommendations. However we would like to comment in more detail on some matters important to the performance and productivity of many sectors of the manufacturing industry in which SA and NATA play a major role. Comments are as follows:

Title: This suggests the important role of inspection in conformance is not considered. In many products including a huge mass of welded products, laboratory accreditation is secondary to conformance by various means including inspection. Obviously they both need to be considered.

The overview (1st para) and Fig. 1 also suggests that inspection is not addressed as there is no reference to inspection. On the other hand Fig. 1.1 does indicate “Inspection bodies” are the direct focus of this study and Recommendation 13.1 indicates NATA should be the peak authority for accrediting Inspection bodies.

We think that the title represents the coverage of the report well but Fig. 1 could be replaced better by Fig. 1.1 and a minor addition made to indicate the report only addresses the peak body for Inspection body accreditation and does not cover overall inspection and quality systems used in conformity assessment.

DR 5.1 SA record is excellent and supports this recommendation. The 3rd line is assumed to be other non-government standards.

DR 6.3 Yes, but all representation should be at appropriate level to provide effective input. All participants on committees are “consumers”.

DR 7.1 For your information, one major committee has for years, wanted to develop commentaries on critical standards eg. AS 1210 and AS 1228 (Pressure Vessels and Boilers) but finance and voluntary service has limited this. WTIA and SA ran out of time recently for a submission for ICIP support and propose to do this for the next round. These commentaries aim to provide the basis of requirements, important reference documents, comparisons with overseas standards. (At present there is no International Standard on this equipment used virtually everywhere with some costing over \$100 million). The commentary also provides a base for education and future improvement.

DR 7.2 This is an important recommendation. We would like to see a uniform approach by all governments as to the basis for referencing Standards of their developing regulatory standards, and an agreement for all to adopt a common approach. The National Standards for Plant is being revised through OASCC and is facing these issues for hazardous plant. WTIA and SA are contributing to the work because delays in resolving regulatory ideas is delaying revision of critical standards – particularly those where world practice requires clear conformity assessment and methods of competent inspection and testing. Thus industry through Standards together with governments need to fully cooperate to achieve optimum overall system.

DR 8.1 We agree with the thrust of these recommendations; but in the sector we are involved with, it is difficult to get SMEs etc. heavily involved because of the far more lean operations they now have due to intense overseas competition. They mostly rely on WTIA and other group organisations to represent their views – which they offer and we seek.

The term “balance” might be interpreted in many ways, eg. refrigerator and air conditioning pressure vessels are used by millions of Australians but most would have no idea of the complex issues involved in the development and improvement of relevant Standards. The most important point proven in USA in the last forty years, and already applied by Standards Australia is to have no majority bloc. In USA two major Standards bodies were penalised by US Government for about \$20 million and \$50 million (today values) for having a majority group. Recommendation 8.1 might be clarified in the report. It could also recommend appropriate regulatory representation which can improve committee performance and also help governments. One or two would represent all governments and share loads and costs.

DR 8.3 We support this but the comment on DR 6.3 also applies. If overdone, the cost of Standards and the impact on industry could be counter productive.

DR 9.1 We support this also. The meaning of “regulatory standards” in the last dot points and elsewhere is not clear. Is it voluntary standards references in regulators or produced by regulatory bodies? (A related recommendation would be appropriate to suggest where practical regulatory standards should be prepared as Australian Standards to give great advantage of wider input, global thinking, democratic process, open to all the controls and improvements recommended in the report. In this way we reduce unnecessary differences between States which impairs industry performance and safety.

The great early standardisation at work by Standards Australia resulted in pressure equipment standards from its committee “Unification of Boiler Regulations” which had wide representation by senior regulators, industry, universities, etc. As a result our safety record has been excellent. This SA committee has been supporting ISO since 1967 for a true International Standard but this has not resulted as USA and EU cannot agree. We are still trying.

DR 12.1 We support this very important recommendation but the report should make it clear that conformity assessment involves both Inspection by competent bodies and competent laboratory accreditation. Both are essential.

In the field of hazardous pressure equipment used widely in Australia, both SA and NATA have helped to partly fill the gap resulting from withdrawal of regulatory authority inspections. Lack of agreement on Conformity Standards and Inspection bodies is of major concern for efficient trade between States and overseas and for continued safety. OASCC is working on this in general terms in its revision of the "National Standard for Plant" produced in 1994 by the earlier NOHSC.

Fig. 1.1 does not show any link between standards and conformity assessment but SA produce standards for testing, certification, inspection and conformity assessment.

Probably the whole question of conformity assessment needs to be considered separately because this is vital for trade. OASCC will probably cover this well from a safety point of view, but to give the optimum balance input from the Production Commission etc. would be valuable.

Also much "Conformity Assessment" is being made via Inspection and testing carried only by suppliers and independent via Quality Management Systems approved via JASANZ.

Related to all of this is the vital importance of competent individual persons to make all the above happen. There are various ways of identifying such persons for the major pressure equipment industry. In some overseas countries laws mandate such persons as previously done in Australia. We recommend both these issues be considered ASAP.

DR 13.1 We support this recommendation fully. Based on our experience since 1958, NATA has provided an invaluable service in laboratories accreditation and more lately with Inspection bodies.

Yours sincerely,

S. A. Ambrose OAM, Pressure Equipment Engineer

(For C. Smallbone, Executive Director).