



Productivity Commission Research Study of Standards Australia and NATA

Submission From

Infant & Nursery Products Association of Australia (Inc) (INPAA)

Background

INPAA is the peak industry body representing suppliers and retailers of nursery products. INPAA is a member of two Standards Australia Committees – CS-003 and CS-020.

INPAA made representation to the Productivity Commission in the recent review into the Australian Product Safety framework and welcomes the opportunity as a key stakeholder to participate in this review of Standards Australia and the National Association of Testing Authorities, Australia. INPAA believes that there is a strong link between the two studies.

Comments made in this submission relate primarily to Standards Australia as INPAA has only limited experience in dealing with NATA related matters.

Current Problems

Within the nursery industry, the current Australian Standards process is dysfunctional and the Association believes the framework is fundamentally flawed. The time taken to develop Australian Standards for nursery products is unnecessarily long and of minimal use to the Australian nursery industry. The process fails to keep pace with innovation and design and when changes are required for standards, the process is clumsy and complex.

INPAA strongly believes that the current committee structure is not supported with effective infrastructure such as research and project management support and, as a result, outcomes are minimal. Project Managers supporting the Standards Committees, are generally unable to provide any real management of the committee largely as a result in INPAA's opinion, of having to serve many committees. Activities of the Project Manager role are primarily involved in servicing the Committee from a Secretariat perspective rather than driving outcomes for the Committees.

INPAA believes that the existing Standards Committees are under resourced and rely too heavily on the volunteer support of members. Increasingly, private companies are experiencing difficulties in being able to release staff to effectively participate in the work of Committees. This is evidenced by the lack of time available to develop options, research relevant data and develop strategies for the Committees. The demands of everyday company priorities promote only token commitment. At a regulator level, resources are also stretched beyond a point where effective regulator input is also diminished. The Association believes that this problem is only going to increase and that the long term viability of the voluntary Committees will be substantially compromised.

Within the nursery industry, there is a significant skill shortage in quality assurance and product development, a traditional recruitment base for standards technical committee activities. INPAA recognizes this problem and attempts to address the matter by convening regular meetings of industry technical personnel which creates an environment where inexperienced technical staff can gain an appreciation of the elements of standards development. INPAA, whilst attempting to educate industry generally, acknowledges that the problem requires systemic management as a longer term solution, in order to provide resources for standards activities. In the interim the Association provides limited resources at a technical level to support the industry as a whole. This assists the industry but is a large drain on Association resources. Whilst INPAA recognises the value of this approach and is prepared to make this investment, the outcome would be enhanced if Government assisted the process through the provision of resources.

Committee meetings often become bogged down in detail and lack strategic focus. A more appropriate process would involve a support structure that was responsible for developing technical detail with the committee concentrating on ensuring that the policy direction of a standard was correct. The committee could also undertake a review role.

The size of committees limits the ability to achieve outcomes in a timely manner. Although it is a strength to have broad representation on standards committees, this representation needs to be reviewed on a regular basis. In any review it would be important that attempts are made to ensure that sectors are not over represented.

Standards development in Australia has focused on establishing discrete vertical standards. This narrow approach is seriously flawed as a strategy to minimise risk associated with product safety more generally. Given that there is unlikely to be sufficient funds to establish enough vertical product standards to cover all nursery products, other approaches to product safety are required.

INPAA believes that greater attention needs to be given by Standards Australia to the implementation of a stronger risk management framework. Standards Australia is well placed to coordinate a new framework to improve risk management outcomes.

The investment currently placed in the development of vertical standards seems excessive given the outcomes. INPAA is concerned that the current approach is financially unsustainable.

A lack of Australian Standards is producing a situation in the nursery industry where products can be imported without the need to satisfy any standard. Regularly, this results in consumers being exposed to unsafe products which are often purchased well before any regulator action to remove products from the market. A more appropriate role for Standards Australia and NATA would be to develop frameworks to support stronger industry self regulation.

The process of review once a standard has been established is also in need of an administrative overhaul. For example, the Cot Standard was a voluntary standard in 1995 and was mandated in 1998. Following the mandate it was acknowledged by industry, regulators and consumer bodies that the standard needed to be revised. The revision was not completed until December 2003. Since publication of the revision the need for further amendments has been identified yet it is unlikely that changes will not be agreed and published until 2007. This is an entirely unsatisfactory result for industry and creates a confusing compliance regime. The nursery industry seeking to invest in the manufacturing and marketing of products needs greater certainty.

Future Developments

INPAA and Standards Australia acknowledge that different strategies should be entertained. Standards Australia has a commitment to enter into industry partnerships as part of its strategic plan. This is a welcome initiative and one that INPAA supports.

Discussions have been held with Standards Australia and an in principle commitment has been made to enter into an alliance between INPAA and Standards Australia (see attached). INPAA has developed a horizontal risk management system for the Australian nursery industry – the Australian Nursery Industry Safety Standards (ANISS) which could establish a fertile feeding ground for a broader Australian Standards framework. INPAA is well placed to undertake a lot of the technical development work which could then be critiqued through the normal standards process. Standards Australia can bring international research and recognition to the industry system which would produce a more effective regime for standards development.

INPAA believes that Standards Australia could play an expanded role in assisting with the compliance framework associated with a strong self regulatory system. In particular if further voluntary standards were developed in the nursery industry through an alliance between Standards Australia and INPAA, Standards Australia could facilitate a network between industry, regulators and consumer groups to assist and monitor compliance. This network would be of valuable assistance in the development of regulatory impact statements and would ensure that standards are not used as technical barriers to trade. Accreditation of industry standards could also result from a revised system. Involvement of consumer organisations within this framework would also be of value.

Conclusion

INPAA believes that the current standard process is not efficient but that there is a clear opportunity and a willingness for a renewal process to occur. The commitment of Standards Australia to work together with key stakeholders to develop a new framework is a promising initiative.

Infant & Nursery Products Association of Australia Inc. No.A0035589X
April, 2006



Caring for Australia's Babies

5th April, 2006

Mark Bezzina
CEO
Partnering Business
Standards Australia
GPO Box 476
SYDNEY NSW 2001

Dear Mark,

Re: Formation of a strategic alliance - Standards Australia and INPAA Inc.

Thank you for the opportunity to meet with you last Thursday.

The Infant & Nursery Products Association of Australia Inc (INPAA) is pleased to agree in principle to enter into a strategic alliance with Standards Australia.

As discussed, we need to agree on the process and the structure of the alliance. In order to move the project I have attached, for your discussion, a draft plan on how the alliance may work.

I look forward to your comments.

Yours sincerely

TIM WAIN
Executive Director

STRATEGIC ALLIANCE

Standards Australia and INPAA

OBJECTIVE

To establish a dynamic and cooperative alliance between Standards Australia and INPAA that can lead to a viable and internationally recognised system of safety standards for the Australian nursery products industry, a system that enjoys the support of regulators, industry and consumers.

KEY STAKEHOLDERS

- Nursery suppliers and retailers
- Standards Australia
- Infant & Nursery Products Association of Australia Inc
- Consumer Representative Groups, eg ACA
- State & Federal Regulators
- Injury prevention experts, eg MUARC
- Media organisations

BENEFITS ARISING FROM AN ALLIANCE

- Extended development of nursery industry safety standards and a more rapid process for the implementation and review of safety standards
- Improved resourcing of standards development
- International recognition of Australian nursery industry safety standards
- Effective implementation of a risk management regime for the Australian nursery industry
- Strengthened industry self regulation
- Establishment of a self regulatory blueprint for the Australian nursery industry
- Creation of a "life cycle" for standards
- Greater management of compliance regimes

HOW WILL THIS BE ACHIEVED?

INPAA currently develops a system of Australian Nursery Industry Safety Standards (ANISS) which is a horizontal risk management approach to safety. This framework is a fertile research source that can form the basis of an expanded number of Australian Standards for infant and nursery products. INPAA is able to coordinate industry resources to develop ANISS while Standards Australia can convert ANISS product standards into internationally recognised standards. There would be a sharing of intellectual property through an agreed alliance.

Standards Australia would assist the management of compliance regimes which would support industry self regulation. A key strategy would be to develop and trial a regulatory blueprint. Consultation with key stakeholders would be a critical activity which could be managed through the Standard Australia consultation process.

PROPOSED IMPLEMENTATION PLAN

| Activity | Responsibility | Timeframe |
|---|----------------|------------------|
| 1. In principle agreement to establish an alliance | MB/TW | 7/4/06 |
| 2. Internal analysis within Standards | MB | 30/4/06 |
| 3. Industry issues identified | TW | 30/4/06 |
| 4. Key stakeholders consultation | TW / MB | 30/4/06 |
| 5. Development of industry self regulatory blueprint | MB / TW | 31/5/06 |
| 6. Scope / Industry implementation plan for alliance agreed | MB / TW | 31/5/06 |
| 7. Priorities for Standards development agreed | MB / TW | 30/6/06 |
| 8. Public announcement of Alliance | MB / TW | 4/7/06 |
| 9. Development of a framework for managing the life cycle of a standard | MB / TW | 4/7/06 |
| 10. Trial of new approach to Standards | MB / TW | To be determined |
| 11. Participation as a speaker at 2006 INPAA Conference | MB | 3/8/06 |

PROPOSED ROLES

INPAA

- Develop ANISS for nursery products
- Identify safety issues for analysis through Standards Australia
- Industry promotion
- Resourcing of technical and Standards Australia committees
- Implementation of industry standards
- Leadership of industry self regulation
- Managerial and executive support to Standards Australia Committees

STANDARDS AUSTRALIA

- Support of industry self regulation
- Management of compliance regime and the issue of regulatory notices
- Project management of the conversion of ANISS individual standards to Australian Standards are required
- Validation and quality control of ANISS
- International promotion
- Review of Australian Standards relating to nursery products
- Project management of public consultation
- Secretariat support

COMMITMENTS

INPAA

- Collaborative alliance
- Sharing of technical resources
- Agreement to share intellectual property
- Industry support
- Access to INPAA developed materials and working groups
- Joint promotional activities
- Willingness to fast track standards development

STANDARDS AUSTRALIA

- Collaborative alliance
- Secretariat support
- Infrastructure support (eg use of meeting rooms, access to standards, etc)
- Agreement to share intellectual property
- Joint promotional activities
- Access to international research and overseas standards
- Willingness to fast track standards development
- Participation as a speaker at 2006 conference

18th April 2006

Mr Tim Wain
Executive Director
Australian Nursery Industry Safety Standards
PO Box 448
BORONIA VIC 3155



Dear Tim,

Re: Formation of a Strategic Alliance - Standards Australia and INPAA

It was a pleasure meeting with you and Tony Zieyler on Thursday, 30 March 2006.

Thank you for your letter dated 5th April following up on our discussions and setting down a road map for collaboration.

Standards Australia welcomes the opportunity to form a strategic alliance with INPAA and we are looking forward to converting the "Strategic Alliance" document you have sent through into a Letter of Agreement.

In the next few weeks I will organise a meeting to follow up and confirm actions to formalise our collaborative activities.

I look forward to working with you.

Kind Regards,

A handwritten signature in black ink, consisting of several fluid, overlapping loops and a long horizontal stroke extending to the right.

Mark Bezzina
Partnering Business
Standards Australia