

22 November 2005

Mr Gary Banks
Chairman
Regulatory Review Taskforce
PO Box 282
BELCONNEN ACT 2616

Dear Mr Banks,

Reducing the Regulatory Burden on Industry

I am pleased to enclose Standards Australia's submission to the review by the Taskforce of the regulatory burden on industry. As indicated in the submission by ACCI, in many instances Australian Standards offer an alternative or adjunct to regulatory measures that are more acceptable to industry, not least because industry has a degree of ownership of the requirements.

This year Standards Australia relaunched itself to reflect both our separation from certain commercial interests, as well as feedback from stakeholders on the directions the organization should be taking into the new century. I am confident that you will find that the organization is now a far more flexible and responsive body than may have been the case in the past. As we move to implement an exciting new business model and governance arrangement in 2006 and 2007, we see the review by the Taskforce as a timely opportunity to take on board any further changes to our role that might come out of the Taskforce's findings.

Standards Australia would appreciate the opportunity to meet with the Taskforce to expand on our submission. Please feel free to contact my assistant, Ms Kristie Tunks, on (02) 8206 6110 to arrange a mutually convenient time.

Yours sincerely,

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Reducing the Regulatory Burden on Industry

A Submission by Standards Australia to the Regulation Review Task Force

22 November 2005

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Introduction

As a body that seeks to establish harmonised approaches, Standards Australia welcomes the opportunity to provide a submission to the Taskforce; and in particular, to provide information on possible solutions that allow legitimate policy objectives to be achieved with less red tape and at less cost to business.

Australian Standards complement legislation, for example, when they are 'called up' in acts or regulations. Around a third of all Australian Standards are referred to in some form of Territory, State or Federal regulation. Standards Australia is a recognized 'prescribed body' for making standards under the Trade Practices Act.

Standards can also assist governments to achieve public policy agendas, for example, in protecting the environment or countering terrorism. They can help in the harmonization of regulation between jurisdictions within Australia.

Standards can also offer an alternative to introducing regulation, particularly where a sector is subject to rapid change and legislation may lag. They are usually less burdensome to manufacturers, while still providing essential assurance to family and small business consumers.

Standards Australia as an Organization

The Federal Government recognizes Standards Australia as the nation's peak non-government standards development and approval body. It accredits other Standards Development Organisations and prepares and publishes voluntary, technical and commercial standards for use in Australia.

Standards Australia is Australia's member of the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the International Council of Societies of Industrial Design (ICSID), providing a link to international best practice and creating further efficiencies.

It meets national needs for contemporary, internationally aligned standards and related services that enhance Australia's economic efficiency and international competitiveness. (These are the objectives that over-regulation or inappropriate regulation can stand in the way of, as the Prime Minister and Treasurer pointed out in their Joint Press Release.)

To ensure this, a Memorandum of Understanding has existed between Standards Australia and the Commonwealth Government since 1988. Among the principal accords are that no Australian Standard will contravene the World Trade Organization's requirements that national standards should not be used as non-tariff barriers to free trade; and agreement that no new Australian Standard will be developed where an acceptable international standard already exists.

Commencing two years ago with the sale of its former commercial services, Standards Australia is undergoing significant change. We are ambitiously recasting ourselves into a responsive and proactive standards approver and developer, capable of working with industry sectors and governments to recognise, assist, service and/or develop nationally and internationally consistent self-regulatory regimes.

Standards Australia is in a unique position to act as an independent, not-for profit organization to work with the Federal Government and industry parties to help cut business red-tape by offering a range of non-regulatory models including:

- Accredited Standards Development Organisations
- Voluntary industry standards, codes and guidelines;
- Industry developed standards for reference in legislation;
- Standards and guidance materials for small business;
- Solutions to cross border and international issues.

Standards Australia and Business

Standards Australia currently has well-established links into all areas of Australian business, professions, academia and the community with more than 9,000 experts drawn from over 1,000 nominating organisations developing around 500 new and revised standards each year.

Our governing body is made up of 70 Council Members, including Federal and State government representatives, leading national industry groups including the Australian Chamber of Commerce and Industry, Australian Industry Group and the Council of Small Business Organizations Ltd., professional organisations including Engineers Australia, the Australian Medical Association and the Australian Institute of Company Directors, with employee representation via the ACTU and including community organisations such as the Australian Consumers Association. All our Council Members are listed on our website and in our latest Annual Report that can be found at: <http://www.standards.org.au/>

Standards Australia has developed standards across most sectors of the Australian economy, in traditional industries such as engineering and construction; in emerging new areas of technology such as e-health and nanotechnology; as well as in less technologically-based subjects such as complaints handling and risk management.

Standards - part of the problem or part of the solution

There are currently close to 6,800 existing Australian Standards. This compares with close to 10,000 Japanese Standards, 24,000 British Standards and 32,000 in Germany. While Australia may not seem to be overly burdened with standards compared to other nations, Standards Australia is aware of industry criticism that the number of standards needs to be closely watched. Periodic stock takes are conducted to retire or update obsolete and outdated standards. The Board of Standards Australia recently resolved to fast track our next review to coincide with this Regulation Taskforce review.

As part of the Standards Australia 2005-2010 Strategic Plan a project group, in consultation with our industry stakeholders, has been set up to weed out standards that do not appear to be serving any useful function. The aim of this group is to identify Australian Standards that have become barriers to trade and an unnecessary and time-consuming impost on business.

In addition, Standards Australia will incorporate a 'use by date' in every new standard that would see it automatically expire if there is no call from industry or other affected parties to have it reviewed.

The Review of Standards for Relevance

Standards Australia has formed a special project team to review its current stock of standards to ensure they are relevant and contemporary, that is they do not place an unnecessary burden on industry, and also that they represent current technology. Each existing Australian and joint Australian/New Zealand standard greater than 10 years old will be reviewed by the responsible committee and they will undertake to take one of the following actions -

- a) *Withdraw the standard*;
- b) *Reconfirm the standard*, that is confirm that the standard is still relevant and does not require any technical change;
- c) *Make the standard obsolescent*, that is “indicate that the standard is not recommended for new equipment or as a current practice, but is retained in order to provide for servicing of existing equipment or requirements”; or
- d) *Revise the standard* to bring it up to date.

For standards greater than 15 years old, the default position will be withdrawal of the standard.

It has been proposed that for standards published after 30 June 2006, they will have a review date incorporated. This date will vary between sectors, types of standards and their relationship to regulation. For example standards in the IT area could have a review date three years after publication, test methods in the building and construction sector could have review date 10 years after publication or standards referenced in legislation could have a review date 5 years after publication. When the review date is reached the relevant parties need to review the standard to ensure it is still relevant and needs to agree on whether the standard is to be withdrawn, made obsolescent, reconfirmed or revised. Where the standard is made obsolescent or reconfirmed, a further review period will need to be identified.

Care must also be taken with “over-selling” of some standards. For example, while ISO 9001 on Quality Management Systems was developed to fulfil a very specific need in certain industries, it has sometimes been promoted as the panacea for every business in every industry, which clearly it is not. Standards Australia recognizes that, along with the need to alert industry and the public to the presence of standards that may be of assistance, it also has an obligation to ensure that this is done in a balanced way.

The reorganization of Standards Australia’s activities in 2003 to ensure that it no longer has a role as a certifier of either products or management systems, eliminated a potential conflict of interest in discharging that obligation. Overselling standards that simply burden industry with additional costs for no real gain in industry efficiency or community protection is not in the interests of Australia nor Standards Australia in discharging our public interest obligations. As a refreshed, stakeholder-focused organisation, we are committed to listening to our contributors, taking on board such concerns and acting as required to prevent this occurring in the future under our new business model.

Recommendation

1. Standards Australia periodically reviews the corpus of Australian Standards with a view to withdrawing those where the on-going need for the standard cannot be justified. Having decided to conduct a stock take to coincide with this review, the Taskforce is invited to identify any standards or groups of standards it believes should be given priority.

The decision to intervene in the market or not

Before any regulation is imposed on industry a regulatory impact statement is carried out.

A similar process is undertaken by Standards Australia to determine the benefits, or otherwise, and potential costs of new standards on industry.

However Standards Australia is limited in the amount of economic modelling it can reasonably do when the requirements in the standard have yet to be determined and the extent of its voluntary application is uncertain.

It should also be remembered that the decision on whether or not to commence development of an Australian Standard for voluntary application is a different question to whether the Government should intervene into the market with regulated requirements.

It would be inappropriate for a private body like Standards Australia to undertake a RIS; however, the organization can assist the RIS process by providing technical information about changes to standards and new standards that will provide some of the inputs to the RIS basis.

Building Standards Case Study: Cost & benefits and RIS-type analysis

Australian Standards are referenced in the Building Code of Australia (BCA) as “deemed to comply” solutions to the performance requirements of the BCA, and Australian Standards have performed this role since the BCA was first introduced. Standards Australia and the Australian Building Codes Board (ABCB) have a Memorandum of Understanding, the purpose of which is as follows:

The ABCB and Standards Australia wish to consolidate their already effective working relationship both to enhance consistency between the Building Code of Australia and the Australian Standards which it references, and to assist both organizations in their tasks of reflecting community, industry and Government needs and requirements. The Memorandum of Understanding is intended to provide the basis for co-operation between the ABCB and Standards Australia in the development of Australian Standards including the need to identify costs and benefits associated with the development or revision of a standard intended to be referenced in the Building Code of Australia through an RIS type analysis.

Standards Australia and the Australian Building Codes Board are putting in place a process and documentation for the preliminary impact assessment to supplement the existing arrangements for justification of revision or amendment of standards referenced in the Building Code of Australia. The existing justification includes identification of major changes required and the necessity for and impact of such changes where a standard is proposed for revision or amendment.

Standards Australia provides assistance and input to regulatory impact assessments including cost/benefit studies undertaken by the Australian Building Codes Board on matters where standards are the technical solution.

Recommendation

1. The RIS process needs to be at a high level and focused on whether there are other options than regulation to remedy a problem associated with a given product or practice.
2. Standards Australia wishes to work cooperatively with regulatory agencies developing RIS based on Australian Standards and identify any additional information that Standards Australia might be able to provide to facilitate this process.

HOW STANDARD AUSTRALIA CAN HELP CUT BUSINESS RED TAPE THROUGH NON-REGULATED SOLUTIONS

Accredited Standards Development Organisations

Over the past decade Standards Australia has accredited industry bodies to develop voluntary Australian Standards to meet their national, sectoral needs. The forestry, telecommunications, gas and fishing industries have all worked or are currently working with Standards Australia to draw up self-regulatory regimes to address issues ranging from work practices to consumer undertakings.

Standards Australia is broadening the range of pathways to develop and recognise Australian Standards, including active encouragement of other SDOs to become accredited.

Voluntary Industry Codes of Practice

Codes of Practice can be commissioned to address concerns within an industry sector of rogue operators ruining the reputation of otherwise honest and respected businesses.

They also demonstrate to Government that the industry sector is prepared to take serious steps to address identified issues and concerns.

Tutoring Case Study: Industry Codes of Practice commissioned by Government

In March 2004 the former NSW Minister for Education, Dr Andrew Refshague, commissioned Standards Australia to draw up a Code of Practice for the NSW tutoring industry.

This request came in the wake of sustained criticism of the industry by students, parents and the media.

Standards Australia, working with representatives from the industry, Government, teachers, parents and students, has completed the Code which addresses issues such as recruitment, plagiarism, teacher qualifications and dispute resolution.

The Code will be presented to the NSW Government later this year, which will then determine if it will be incorporated into legislation, or used by the industry to self-regulate.

This approach has provided the industry with a self-regulatory regime that doesn't involve government red tape. It has avoided the Government stepping in and introducing a raft of new regulations.

As is clear from the tutoring example Standards Australia is able to work with an industry sector to develop a code of practice as an alternative to Government regulation.

This approach could be used across a range of industries that currently operate outside government regulation but are seen by the community to require some form of oversight.

It could also be used to free up industries that have matured over the years and are now considered by the Government and the community capable of self-regulating.

Food Standards Case Study: Working with Regulators to Promote Non-Regulated Solutions

Standards Australia and Food Standards Australia New Zealand (FSANZ) work closely together in the food arena to ensure that there is no duplication of standards in the area of food science and technology. The nature of this co-ordinated and co-operative relationship is captured in a Memorandum of Understanding to be signed in December 2005. As a trans-Tasman independent statutory authority, FSANZ develops food standards for composition, labelling and contaminants, including microbiological limits – that is, any aspect of food production and importation that is intended to be regulated through the Food Standards Code (FSC). Standards Australia on the other hand develops voluntary standards, which are supportive of, and often complementary to, those produced by FSANZ, for example, test methods for determining and enumerating microbiological parameters where microbiological limits are set by FSANZ.

FSANZ applies strict criteria to determine which standards it will develop and has been working closely with Standards Australia to ensure that standards that should not be subjected to regulation are developed through the voluntary Standards Australia approach. An example of this collaboration can be seen in recent discussions regarding standard fish names. The seafood industry approached FSANZ to include the Fish Names List in the Food Standards Code. However, as this does not impact the protection of public health and safety, or meet other criteria as set by FSANZ for inclusion in the Food Standards Code, FSANZ referred them to Standards Australia to investigate options for the development of a voluntary standard. A similar example relates to organic produce. It was considered by FSANZ that this should not form part of the Food Code and as a result of co-operation Standards Australia is exploring the development of a voluntary standard with the organics industry.

Standards Australia, working with the Federal Government, industry and relevant stakeholders would be able to augment or modify existing frameworks to encourage greater use by stakeholders to develop and enter into voluntary Code of Practices or standards.

Recommendation

That Governments:

4. Encourage industry sectors to develop Code of Practices and/or standards as an integral part of a self regulatory regime; and
5. Recognise and use the resources and experience of Standards Australia to assist industry sectors draw up Codes of Practice and/or standards as an alternative to government regulation.
6. Consider use of Australian Standards in place of regulation wherever this will reduce unnecessary burdens on industry.

Industry developed standards for reference in legislation

Standards Australia works closely with government agencies looking to reference Australian Standards in legislation or incorporate them as part of other regulatory measures.

The process has had Government support for many years with around 2,400 of the 6,800 published Australian Standards referenced in some form of Territory, State or Federal regulation.

Using regulatory force to back an Australian Standard should only occur when it achieves a key social objective, such as reducing accident and security risks, protecting the environment or preventing fraud and deceptive conduct.

In these cases an industry-developed standard, with input from all interested parties, is likely to receive greater support than a government authority dictating requirements.

It is also more likely to be free of excessive red tape and compliance costs than a regulation drawn up from scratch by a government agency without substantial input from industry.

While industry feedback on government regulation could be obtained through a consultation process it doesn't provide the same level of ownership as a consensus outcome.

Regulations that include Australian standards also have the advantage of being able to be revised and updated without substantial changes to legislation.

One of the most well developed examples of industry developed standards in Government regulation is in the Building Code of Australia.

154 Australian Standards are referenced in the BCA as "deemed to comply" solutions to the performance requirements. These are regularly updated as technology and materials change.

Recommendation

7. That Governments reference Australian Standards as appropriate to keep regulation current and to ensure changes in technology are reflected in the regulations.
8. The COAG *Principles and Guidelines for National Standard Setting and Regulatory Action by Ministerial Councils and Standard-Setting Bodies* have been amended several times since they were introduced in 1995 and it is now somewhat difficult to understand when the guidelines are referring to Australian Standards and when they mean national regulatory standards issued by Ministerial Councils. If these Principles are to continue to be used, for example to implement the outcomes from the Taskforce, they need to be thoroughly reviewed for clarity.

Standards and small business

Small business has two, apparently contradictory, responses to regulation. First, they want flexibility, and second they want to know exactly what they have to do to comply.

The only consistent message is that regulatory compliance is a distraction from running the business, so they want it to take up as little of the business's energy as possible.

Developing regulations that fit the needs of small business as well as those of larger enterprises requires some thought.

The Issues Paper rightly draws a distinction between performance-based standards and prescriptive measures.

The former establish a measurable objective without restricting the options for achieving that objective. The latter sets out the details of how one goes about achieving the desired result, including specifying materials and dimensions.

For small business, prescriptive measures are generally the easiest to implement. They do not require external specialist advice they give clarity about exactly what is required.

Where the need for flexibility becomes important for small business is less so in the technical aspects of standards and more in the sensitive implementation of regulatory measures.

OH&S Case Study: Small business solutions

In occupational health and safety, prosecutions are generally brought for failure to maintain a safe and healthy workplace or failure to establish a safe system of work.

While failure to comply with the details of a standard may provide evidence that an unsafe condition exists, it would not be the sole reason for the prosecution. An Australian is based on common practice and past experiences. However well it is written, an Australian Standard can never hope to anticipate every possible circumstance that might arise in a workplace.

Occupational Health and Safety legislation provides a good example of outcome-focussed regulation and places Australian Standards in their proper light. A standard can underpin government outcome-based regulatory requirements, to assist industry to achieve its legal obligations in terms of a specific safety outcome by providing one or more deemed-to-satisfy solutions.

Construction Case Study: Balancing performance with deemed to comply solution

Standards Australia has been developing performance-based Australian Standards for a number of years, particularly for use in the building industry. These standards set out the quantified performance targets to be achieved and a method of test (often a laboratory test) to assess whether the goal has been achieved. As well, the standards include a separate section that describes in detail the traditional building methods used in this field that are 'deemed to satisfy' the performance targets without the need for verification through testing.

If one considers the case of masonry walls used to separate domestic occupancies, traditional double-brick construction provides the necessary separation to prevent the spread of fire and the transmission of noise between adjacent apartments, along with the required bearing strength. A qualified bricklayer can complete the work competently with readily available materials. There is a certain amount of redundancy in this method of construction; but for a small operator, whose expertise is in bricklaying, and not engineering design, this is generally the most cost-effective solution.

However, for a major developer of multistorey residential complexes, substantial savings in both labour and materials can be made by utilizing purpose-designed masonry blocks that achieve adequate separation of occupancies and bearing strength with a single thickness wall. The adequacy of this design can be verified by a series of laboratory tests of fire separation and noise transmission; and in the case of sound transmission there is also an Australian Standard to verify noise separation of the finished construction on site.

Recommendation

9. That Governments recognise the role of standards to underpin performance-based regulation, such as deemed to comply solutions for small business.

Working with Government and Industry on cross-border issues

A large part of the role of Standards Australia is trying to find a common set of technical solutions that can be applied across Australia.

Because legislation that provides the 'head of power' normally varies across the States and Territories, it is extremely difficult to develop template regulations that can be used without major modification across jurisdictions.

However, there is far more scope for agreement about what constitutes a safe or effective technical outcome than there is for what constitutes desired policy outcomes.

Unfortunately, it is all too easy for these two issues to become confused when inter-governmental coordinating groups are charged with finding national solutions.

Standards Australia would argue that these interstate coordinating groups work best where they are prepared to leave coordinating the technical issues to the consensus standards development process and maintain their focus on the more high level goals to be achieved.

By using Australia Standards to develop the technical requirements to underpin legislation that is then used consistently across all jurisdictions, business would at least be able to produce goods and services consistent with all government's technical requirements.

E-Health Case Study: National harmonisation

As Australia and the rest of the developed world look to find efficiencies in the administration of the health sector, the use of the Internet to share data, such as patient records, is proving an important development that will streamline health service delivery. Of course, this must be done in a way that provides absolute protection of patient privacy and Standards Australia, in partnership with the Department of Health and Ageing, is developing the health informatics standards that provide that security. The implementation of these standards is not mandatory under the law; however, through the alignment of the Health Informatics standards development work-program, with that of the national E-Health strategy, there is an increased likelihood of voluntary adoption and compliance with the standards. This approach is very supportive of self-regulation, yet is informed and guided by State, Territory and Federal Governments.

Any initiative to use standardization to reduce variability of implementation of ICT in the health sector will reduce costs for vendors and procurers of software, as well as expanding potential markets for Australian companies. The approach being taken is to rationalise the large number of solutions to health system procurement and implementation in order to improve interoperability and efficiency in the health sector.

Security Standards Case Study: Private sector guidance

For the past year, Standards Australia has been working with the Commonwealth, State Governments and business to develop guidance for the private sector on how best to protect their assets.

These assets vary from major power stations, telecommunications facilities, banking infrastructure and transport networks to manufacturing businesses, schools and sporting arenas.

Regardless of their differences they all share the one common element, they could be targets and they need protection.

The process has involved senior representatives from State and Federal AG's, transport, energy, police, security, intelligence and health agencies as well as executives from privately owned businesses working together on the minimum guidelines for an effective private sector security system.

This group has identified the need for a major review of security standards and support systems currently available to the private sector in Australia.

Ultimately, the work will produce a comprehensive set of guidelines that can be used by the private sector, or any other organisation that doesn't have its own in house expertise, to ensure they are buying a security system that is value for money and will meet their requirements.

Recommendation

10. The Federal Government, through the COAG process, encourage all State and Territory Governments to use Standards Australia to develop consistent technical requirements to be incorporated in similar State and Territory legislation.

Solutions to International Issues

As Australian businesses expand overseas, the notion of using different standards in each State and Territory is both inefficient here and constraining internationally.

Conformance with International Standards is essential in terms of meeting Australia's treaty obligations not to erect unnecessary barriers to trade as well as being part of doing business in the 21st century 70 % of standards published in the last year are internationally aligned.

The joint standards development activities with New Zealand have exposed Australian interests to the attitudes in an economy that has perhaps had more exposure to the realities of the world economy.

It is significant that New Zealand manages to maintain a similar expectation of safety and quality of goods and services in its community to Australia with far fewer regulated products. Whether this is a genuine case of finding the appropriate minimum necessary level of regulation or is simply a case of receiving benefit from being part of the same market as Australia is hard to say. What is clear is that the inclusion of New Zealand interests in the voluntary standards development process has provided a different dynamic and has drawn the relevance and validity of interstate differences into sharp perspective.

Electrical Safety Case Study: Internationally harmonised solution accepted across Australia

The use of Australian Standards for the safety of electrical products and installation has been a basic element of electrical safety regimes for the past 60 years; and Standards Australia has developed a very close liaison with electrical safety regulators to this end. Australian Standards provide the technical criteria against which a product or installation's compliance with the intended safety outcome required by legislators may be assessed.

This provides a common set of requirements across Australia and facilitates the system of mutual recognition of approvals between the States, and with New Zealand.

To ensure that this functions smoothly, the publication of new and updated electrical safety standards is linked to the timeframes determined by regulators for application of the standards, which allows suppliers to plan ahead in relation to any changes. The level of compliance (pre-market approval or self declaration by the supplier) is linked to the level of risk associated with a class of products, and in either case the relevant standard is accepted as the technical benchmark of acceptability.

The standards are very closely aligned with the international standards of the International Electrotechnical Commission (IEC), and in formulating Australia's input to the development of these international standards, regulators' and supplier's needs are given full weight in the context of their obligations under WTO (World Trade Organization).

Standards Australia has studied North American and European Standards Organisations to identify best practice. What is clear is that both take a very strategic approach to standards in relation to trade. Standards Australia would be pleased to share our insights on international use of standards with the Taskforce, including the European Union's use of standards as the major vehicle to achieve regulatory harmonisation across Europe.

Recommendation

11. That the Taskforce investigate international use of standards to drive trade and regulatory harmonisation in Europe, North America and South East Asia and benchmark findings against Australia's standards harmonisation infrastructure.

Conformity Assessment

The Issues Paper raises the question of pre-market and post-market measures and seeks comment.

Within Europe, and some of the countries in the Asian region, pre-market approval of a wide range of products is mandatory. This can take the form of test certificates, third-party certification or first-party declarations of conformance with all applicable laws.

Whatever the benefits of this approach, it necessarily involves a certain number of administrative steps and a not insignificant amount of paperwork. It is not a system that would sit easily with the notion of reducing red tape.

The Australian regulatory system is far less uniform than Europe and the means of assessing compliance varies according to the area of regulation. For example electrical goods require a pre-market registration based on a test certificate whilst other consumer goods rely entirely on post-market surveillance.

There are also some interstate differences in conformity assessment requirements and pressure equipment is one important example that has in the past attracted Commonwealth attention.

While the Australian system lacks a consistent approach, it might be said to be broadly risk-based. In other words, the form of conformity assessment is linked to the likelihood of non-compliance and the associated consequences, such as electrocution.

If new regulatory principles were to be introduced, the concept of more directly relating the form of conformity assessment to the risk posed by non-compliance would be a useful adjunct to ensure a degree of rigour when determining which conformity assessment path to follow.

Water supply products Case Study: Pre-market approval and the private sector

An example of pre-market approval of products is the case of plumbing products. While the humble tap may seem like a relatively low risk product, it has the potential to contaminate the water supply not just to one household, but of those in the surrounding area if, for example, it allows back-siphoning of polluted water.

Prior to the reform of the water supply industry, a single authority would be the monopoly service provider in the area, as well as being the regulator and the approver of products that were allowed to be connected to the water supply.

The introduction and operation of the National Certification of Plumbing and Drainage Scheme (NCPDP) has enabled the Water Authorities to withdraw from the evaluation, testing and stamping of plumbing and drainage products to indicate that such products are eligible for installation in the water delivery infrastructure. Standards Australia is a member of the National Plumbing Regulators Forum (NPRF) and administers the current certification scheme for plumbing and drainage products (WaterMark Scheme). This is a contestable role; and if Standards Australia doesn't meet the expectations of industry in providing efficient, low cost administration of the scheme, the NPRF can select another body to undertake this task.

Conclusions and Recommendations

Standards can provide an alternative to regulation or be an adjunct, providing a means of good regulatory practice. Where regulation is needed, Australian Standards provide a means for regulators by legislative reference to adopt requirements that have had full industry participation and contribution in drafting, and are nationally or internationally uniform. In the case of performance-based standards, they provide a more flexible approach with the opportunity of better industry and regulatory efficiency and effectiveness.

1. Standards Australia periodically reviews the corpus of Australian Standards with a view to withdrawing those where the on-going need for the standard cannot be justified. Having decided to conduct a stock take to coincide with this review, the Taskforce is invited to identify any standards or groups of standards it believes should be given priority.
2. The RIS process needs to be at a high level and focused on whether there are other options than regulation to remedy a problem associated with a given product or practice.
3. Standards Australia wishes to work cooperatively with regulatory agencies developing RIS based on Australian Standards and identify any additional information that Standards Australia might be able to provide to facilitate this process.
4. That Governments encourage industry sectors to develop Code of Practices and/or standards as an integral part of a self regulatory regime; and
5. That Governments recognise and use the resources and experience of Standards Australia to assist industry sectors draw up Codes of Practice and/or standards as an alternative to government regulation.
6. That Governments consider use of Australian Standards in place of regulation wherever this will reduce unnecessary burdens on industry.
7. That Governments reference Australian Standards as appropriate to keep regulation current and to ensure changes in technology are reflected in the regulations.
8. The COAG *Principles and Guidelines for National Standard Setting and Regulatory Action by Ministerial Councils and Standard-Setting Bodies* have been amended several times since they were introduced in 1995 and it is now somewhat difficult to understand when the guidelines are referring to Australian Standards and when they mean national regulatory standards issued by Ministerial Councils. If these Principles are to continue to be used, for example to implement the outcomes from the Taskforce, they need to be thoroughly reviewed for clarity.
9. That Governments recognise the role of standards to underpin performance-based regulation, such as deemed to comply solutions for small business.
10. The Federal Government, through the COAG process, encourage all State and Territory Governments to use Standards Australia to develop consistent technical requirements to be incorporated in similar State and Territory legislation.
11. That the Taskforce investigate international use of standards to drive trade and regulatory harmonisation in Europe, North America and South East Asia and benchmark findings against Australia's standards harmonisation infrastructure.