STANDARDS
NEW ZEALAND
Paerewa Aotearoa

29 April 2003

Ms Sue Holmes,
Inquiry research manager,
Productivity Commission
PO Box 80
Belconnen, ACT 2616
AUSTRALIA

Dear Sue,

SUBMISSION BY STANDARDS NEW ZEALAND – CER

Firstly please accept my apologies for the delay in getting this submission to you given our meeting on 27 March, 2003 here in Wellington.

Background

Standards New Zealand is the trading arm of the Standards Council. A crown entity operating under the Standards Act 1988.

The Standards Council, an appointed body with representatives from all sectors of the community, oversees the development and adoption of Standards and standards-related products.

Standards New Zealand has a full-time staff of 50, and is supported by over 2000 New Zealanders who volunteer their time to serve on the many and varied boards and committees.

Standards New Zealand is entirely self-funded; its revenues sourced from contracts with industry and the government, for the development and support of standards, and the sales of standards publications.

Standards New Zealand is heavily involved in the development and application of national, regional and international standards, of which many are developed in partnership with Australia. As New Zealand's representative in the international Organization for Standardization (ISO) and its sister organization, the International Electrotechnical Commission (IEC), Standards New Zealand ensures that New Zealand's voice is heard, world-wide.

Relationship with Standards Australia International ("SAI")

Standards New Zealand ("SNZ") is the peak standards body in New Zealand and SAI is the peak standards body in Australia. The two organizations have a formal agreement, called the Active Cooperation Agreement ("ACA") which was first signed in 1992 and has been reviewed and updated sine then.
The ACA records the joint commitment of both organizations to co-operate, in good faith, with one another to the utmost of their abilities: -

- To meet the objectives of Article 12 of the Australian/New Zealand Closer Economic Relations (CER) Trade Agreement with regard to standardization activities, and the Trans Tasman Mutual Recognition Agreement (TTMRA);
- To promote trade by both countries to the rest of the world;
- For mutual gain to stakeholders in international standards development and conformance; and
- Promote the aims and objectives of the World Trade Organization Technical Barriers to Trade Agreement,

while recognizing the sovereign issues in Standards development.

An objective is that the number of joint Standards should be maximized with the aim of increasing the ratio of joint standards to total Australian Standards (that is AS plus AS/NZS) beyond the current 33%.

Standards New Zealand's commitment and operational processes to achieve the objectives of the ACA

1. When a Standard is due for review, or a new Standard is proposed there is a hierarchy for reviewing needs and an appropriate source for the information. This hierarchy is: -
    a. Is there an appropriate international standard (usually and ISO or IEC standard) that could be directly adopted as a joint Australia / New Zealand Standard or used as a basis for a Joint Standard? If so then this is used
    b. If not then is there an appropriate Joint Standard that could be amended, or should a new Joint Standard be prepared? If so then this is used
    c. Only if there is no international or joint Australia / New Zealand Standard that is appropriate is a New Standard prepared

2. Both SAI and SNZ have stakeholder groups who advise, on a regular, basis on whether existing standards should be amended, withdrawn, or new standards developed. These groups typically meet every 6 months. These groups also have 2 joint Australia / New Zealand groups in the key sectors of building and electrical safety that meet six-monthly to consider joint standards work following the precepts of the ACA

3. Under the ACA both organizations are responsible for project managing a proportion of the total joint standards development. A ratio of 85:15 for SAI: SNZ is maintained based loosely on the population differential between the countries.

4. The number of joint standards in the SNZ catalogue has increased since the ACA was put in place and, as at 30 June 2002 stood at 1,856 separate documents or 76% of the total catalogue.

Issues that would assist Joint Standards and Facilitate Trade

This list is not exhaustive

1. A key issue is the different regulatory environment that exists both between the two countries and in many cases we understand between the various states and territories in Australia. Standards that are scoped to provide further guidance to regulatory requirements are therefore sometimes difficult to make joint and harmonization of regulation would encourage the use and maximize the value of Standards

2. A further issue is that of recognition of the importance of standards as facilitators or impediments to trade. Studies carried out internationally indicate that standards are as important as patents to an organization, and that involvement is standardization is of strategic advantage to participants, especially industry

3. A New Zealand study carried out on the impact of non-tariff barriers ("NTB") on New Zealand exporters concluded that standards were one of the key NTB's. The study concluded that the overall impact on New Zealand was in excess of NZD1 billion, and that the use of standards and conformance measures were increasing as intentional or unintentional barriers. Worryingly, and despite efforts in standardization as noted above exporters reported an increase in NTB's with Australia.

4. The use of the ACA allows the flexibility to produce joint documents where stakeholders advise that this is appropriate, whilst also recognizing that in certain circumstances a national standard will be more appropriate. Overriding this is the requirement under the World Trade Organization – Technical Barriers to Trade Agreement to utilize international standards wherever possible. The ACA allows all this in a cost-effective way for both countries and without the need for extensive treaty-type organizations

I hope that this of use and would be pleased to provide further information if required.

Yours sincerely,

Rob Steele
Chief Executive