STANDARDS
NEW ZEALAND
Paerewa Aotearoa

5 September 2003

Ms Sue Holmes,
Inquiry Research Manager,
Productivity Commission
PO Box 80
Belconnen, ACT 2616
AUSTRALIA

Dear Sue,

FURTHER SUBMISSION BY STANDARDS NEW ZEALAND – JOINT STANDARDS AND CER

Further to our teleconference last week I undertook to write to the Commission with an update of our submission of April 2003.

In our previous submission we outlined the relationship between Standards Australia International ("SAI") and Standards New Zealand ("SNZ"). SNZ is the peak standards body in New Zealand and SAI is the peak standards body in Australia.

The two organizations had a formal agreement, called the Active Cooperation Agreement ("ACA") which recorded 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.

Subsequent to our submission SNZ was advised by SAI that it did not wish to renew the ACA, instead it preferred to enter an agreement that in essence reflected the commercial objectives of SAI, including exploitation of copyright and cost sharing of standards development. In the absence of a mutually acceptable agreement the ACA and therefore the

ability to develop Joint Standards will lapse on 29 September 2003.

I understand the potential risk of SAI's decision to the objectives of TTMRA was raised at the CER Ministerial meeting held last week, particularly if any new arrangement did not reflect any commitment to continued joint standard development, and that Australian and New Zealand ministers collectively agreed on the importance of continued joint standards development and made reference to this in their Joint Statement.

I further understand that reference to this matter has been made in other correspondence with the Commission.

SNZ would like to see Joint Standards continue based on a positive response to a survey of New Zealand stakeholders who view Joint Standards as critical for fostering trade between the two countries, and now obviously with support at Ministerial level as well.

While we appreciate that Standards Australia is a private business and therefore has a commercial imperative, we also believe that the need for Joint Standards to support the objectives of TTMRA, and the fact that businesses on both sides of the Tasman continue to attach the highest priority to joint trans-Tasman standards are valid considerations that must be considered in addition to purely commercial objectives.

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

Yours sincerely,

Rob Steele
Chief Executive