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7 October 2004

The Commissioner  
Study into Reform of Building Regulation  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616

Dear Sir,

#### **STANDARDS AUSTRALIA COMMENTS ON DRAFT REPORT**

Standards Australia is pleased to make written comments on the Draft Report on *Reform of Building Regulation*.

By way of background, attached is a letter from our Chairman John Castles regarding plans for the future direction of Standards Australia, following the sale of our commercial activities. As Australia's peak non-government standards body, Standards Australia will pursue high level dialogue with the Federal Government on how best to integrate voluntary and mandatory standards as mainstream components of state and national performance based regulatory frameworks. In this context the outcomes of the Productivity Commission Report in regard to referenced standards and the comments regarding the Standards Australia process provide timely and welcome input to influence this dialogue with stakeholders including government.

Our specific comment on the two draft Recommendations 8.2 and 8.3 in the Draft Report are as follows:

##### ***Draft Recommendation 8.2***

*The Australian Government should examine the appropriateness of a private company (Standards Australia International) being the sole Australian representative in international standards forums and consider the merits of having the ABCB (or its replacement) also perform this role for building and construction matters, perhaps in conjunction with SAI*

The statement that Standards Australia (SAI) is a "private company" should be corrected in the final report. SAI is a not for profit public company that is member based and recognized by the Commonwealth Government as the peak non government standards organization.

With regard to SAI "being the sole Australian representative in international forums", we wish to clarify that while SAI is the Australian member of the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC), SAI's role is to process the work of ISO and IEC. Involvement with ISO and IEC takes place at two levels, policy and technical participation. Policy issues related to ISO and IEC are the responsibility of the Standards Development Board. The role

and membership of the SDB is set out in SAI's Constitution. Detailed technical involvement in any given international standard is the responsibility of the corresponding SAI Technical Committee, including endorsing delegates from within the SAI technical committees to attend international meetings to put the Australian point of view.

***Draft Recommendation 8.3***

*The Memorandum of Understanding between Standards Australia International (SAI) and the ABCB and the Referenced Documents Protocol should be renegotiated to provide for a clear requirement for RIS-type analysis to be undertaken by SAI (perhaps in conjunction with ABCB, or its replacement) at an early stage in the development of standards that are expected to be referenced in the BCA, and are likely to have non-minor effects.*

The Memorandum of Understanding between Standards Australia and the ABCB presently states "The ABCB, through its representation on the relevant Technical Committees, may comment during the initial Committee circulation of a proposal for a new project, prior to submission to the Joint Technical Management Group and the relevant Standards Sector Board. Where such a proposal is for a revision of, or amendment to, an existing primary, secondary or tertiary referenced standard, then it will include identification of major changes required and the necessity for and impact of such changes. SAI will allow the ABCB a period of 6 weeks for the evaluation of such new projects as described in 4.2(1). Where appropriate, the approval process for a new Australian Standard referenced or likely to be referenced in the BCA will include an estimate of the costs and benefits of implementing the proposed standard". This arrangement is undertaken at project proposal stage, however it can be strengthened to enable further analysis where necessary.

We recommend the following statements in the draft report should be reviewed:

- Page 126 of the Draft Report states "BPIC expressed the same view (sub.23 p.60)". We believe that Submission 23 shows that BPIC was referring to energy and sustainability matters, not electrical installations. This could be checked with BPIC.
- Page 246 of the draft report states "SAI as a private commercial organization, must earn a return on the Standards". As stated above, SAI is a not for profit member based public company, and is no longer directly dependent on publication sales for income, and its new business model post the 2003 sale of commercial activities needs to be understood (refer to the attachments for explanation).

Views have been expressed by stakeholders to the Standards Australia process that plumbing, gas and electrical installation standards for the building industry could lead to fragmentation and duplication of standards needed for wider industry coverage.

We trust these comments will be of assistance to the Commission in finalising the report

Yours sincerely,

**John Tucker**  
Chief Executive Officer

Note by Commission:

Attachment is only available in the .pdf version of this submission, as supplied to us.