# MEMORANDUM OF UNDERSTANDING

# BETWEEN THE

# **COMMONWEALTH OF AUSTRALIA**

## **AND THE**

# NATIONAL ASSOCIATION OF TESTING AUTHORITIES, AUSTRALIA

ABN 59 004 379 748

#### This MEMORANDUM OF UNDERSTANDING is made

this day of 2003

#### BETWEEN

The *COMMONWEALTH OF AUSTRALIA* represented for the purposes of this Memorandum by its Commonwealth Department of Industry, Tourism and Resources,

**AND** 

THE NATIONAL ASSOCIATION OF TESTING AUTHORITIES, AUSTRALIA (ABN 59 004 379 748) (NATA), a company incorporated in Victoria limited by guarantee, having its Head Office at 7 Leeds Street, Rhodes, NSW 2138.

#### WHEREAS:

- A. The Commonwealth and NATA, in partnership, desire to assist industry by strengthening the measurement and product and material testing system in Australia and to ensure that an appropriate level of accreditation of the various elements of the system is available. They also recognise that this system, amongst many other community benefits, provides an important mechanism for improving business efficiency and competitiveness of Australian industry in international and national markets
- B. The Commonwealth:
- (i) aims to promote an appropriate, internationally recognised infrastructure for inspection, testing, measurement and certification, based on accreditation;
- (ii) has adopted a strategy of encouraging further development and strengthening of that infrastructure;
- (iii) through the reforms arising out of the Committee of Inquiry into Australia's Standards and Conformance Infrastructure, expects that the appropriate infrastructure organisations will meet the changing needs of industry and consumers for these purposes;
- (iv) looks to organisations within that infrastructure, such as NATA, to provide leadership and guidance; and
- (v) recognises NATA as the key organisation in Australia's standards and conformance infrastructure in developing knowledge, international experience and recognition in accreditation of inspection bodies, testing and measurement laboratories.

#### IT IS HEREBY A GREED as follows:

#### Article 1 Definitions

- 1.1 General terms used in this Memorandum shall have the meaning given in the definitions contained in the current version of ISO/IEC Guide 2 "General terms and their definitions concerning standardization and related activities" unless the context otherwise requires.
- 1.2 The following terms and their definitions shall apply for the purpose of this Agreement:
  - 'Laboratory' means a facility engaged in calibration, measurement, testing or related services.
  - **'Reference Material'** means an artefact or substance that enables the transfer of values of measured or assigned quantities between laboratories both domestically and internationally.
  - 'Inspection Body' means a body carrying out inspection services.
  - 'Accredited Service Provider'

means a Laboratory, a supplier of certified Reference Materials or an Inspection Body.

#### Article 2 General Provisions

- 2.1 The Memorandum encompasses the accreditation of laboratories, inspection bodies and suppliers of certified reference materials by NATA. It also encompasses the activities of NATA in participation in international and regional fora.
  - 2.2 The Memorandum has effect for a period of five (5) years from the date of its execution.
- 2.3 After four (4) years from the date of its execution the Parties will review the performance of this Memorandum with particular reference to "national interest" activities as set out in an annual exchange of letters between the Parties.

## Article 3 Recognition

- 3.1 Except with respect to the rapeutic goods (as defined by the *Therapeutic Goods Act 1989* (Cth)) the Commonwealth:
  - 3.1.1 recognises NATA as the national authority for accreditation of laboratories conducting tests and measurements in all technical fields and including laboratories performing tests and studies in accordance with the OECD Principles of Good Laboratory Practice and for accreditation of suppliers of certified reference materials.
  - 3.1.2 recognises NATA as a peak authority for the accreditation of inspection bodies.
- 3.2 This Memorandum recognises the close relationship that exists between NATA and its

- New Zealand counterpart organisation, International Accreditation New Zealand (IANZ).
- 3.3 The Commonwealth recognises NATA as the Australian member of the International Laboratory Accreditation Cooperation (ILAC), the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and the OECD Panel on Good Laboratory Practice.
- 3.4 The Commonwealth recognises that NATA needs to enter into complementary business activities to enable it to support the full range of its accreditation activities and to be a primary source of information on laboratory accreditation in Australia.

### Article 4 NATA Undertakings

- 4.1 NATA will provide national leadership in establishing standards of good laboratory practice, in accrediting testing laboratories, inspection bodies and suppliers of certified reference materials thereby providing a network of competent accredited service providers to meet national needs as identified by governments or industry groups.
- 4.2 NATA will prepare, publish and, where appropriate, review and revise its procedures and standards to ensure that these will:
  - 4.2.1 conform with international standards;
  - 4.2.2 meet national interest requirements;
  - 4.2.3 facilitate international trade:
  - 4.2.4 satisfy the requirements for public health, safety and environmental protection;
  - 4.2.5 enhance quality and performance of products, materials and related services;
  - 4.2.6 be suitable for uniform reference in Australian governments' laws, regulations and public purchasing contracts; and
  - 4.2.7 provide the laboratory testing, measurement and calibration basis for certification systems.
- 4.3 NATA will ensure that the Association and its committees develop practices which are in harmony with international standards for good laboratory practice and for the operation of laboratory and related accreditation systems.
- 4.4 NATA will recognise, and cooperate with, other key infrastructure bodies including Standards Australia, the National Standards Commission, the National Measurement Laboratory, the Joint Accreditation System of Australia and New Zealand, and the Australian Government Analytical Laboratories and will participate in annual meetings with these bodies.

- 4.5 In seeking to develop international compatibility and uniformity of testing, measurement and calibration throughout Australia, NATA will seek consensus and a fair and acceptable balance of all relevant interests in its work, and encourage full participation which reflects not only sound and modern technical practice but also takes full account of the needs of manufacturers, service providers and users.
- 4.6 NATA will assist the Commonwealth in attaining the objectives of the National Measurement Act 1960. In particular NATA will:
  - 4.6.1 promote the use by its accredited laboratories of the legal units of measurement prescribed under the Act;
  - 4.6.2 collaborate with the National Measurement Laboratory in promoting the use of Australia's primary and secondary standards of physical measurement;
  - 4.6.3 collaborate with the National Standards Commission in matters pertaining to legal metrology; and
  - 4.6.4 collaborate with the Australian Government Analytical Laboratory, the National Measurement Laboratory and the National Standards Commission in matters pertaining to chemical and biological metrology.
- 4.7 NATA, in developing and implementing its corporate objectives, will seek to assist industry to improve its competitive advantage by providing a world class testing and measurement system and through this, promote community benefits. It will evaluate ways in which its services can be provided more efficiently and, consistent with international standards, apply innovative techniques to its accreditation process.
- 4.8 NATA will represent Australia in the International Laboratory Accreditation Cooperation (ILAC), the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the OECD Panel on Good Laboratory Practice and other such fora as may be agreed between the Parties from time to time.
- 4.9 In its role as Australia's representative NATA will act in the national interest identified by the Commonwealth and take into account the priorities of Australian industry.
- 4.10 In representing the Australian view at international meetings NATA will:
  - 4.10.1 ensure that it consults with other interested bodies including industry, government, other infrastructure bodies and consumer organisations;
  - 4.10.2 advise the Commonwealth in advance of the formation of Australian delegations to attend any international meetings;
  - 4.10.3 when requested, provide the Commonwealth with the brief for the Australian delegation prior to such meetings; and
  - 4.10.4 when requested, provide the Commonwealth with a report on the meeting within 90 days of the conclusion of the meeting.

- 4.11 NATA will develop and maintain links with foreign national accreditation bodies responsible for accredited service providers and maintain its operations in harmony with those foreign accreditation systems considered appropriate for development of reciprocal recognition agreements, bilateral or multilateral, which are considered in the national interest. In developing such reciprocal agreements, NATA will consult with the Commonwealth on the relevance of each agreement to the national interest or to the support of business efficiency and competitiveness and trade opportunities for Australian industry and services.
- 4.12 NATA will be the national authority responsible for monitoring compliance with the OECD Principles of Good Laboratory Practice and will ensure that relevant Australian codes of practice are in harmony with those principles.
- 4.13 NATA will provide a national database of accredited service providers in Australia, and will encourage increased community and industry access to its work and data base.
- 4.14 NATA will promote an awareness of the importance of its work to quality and the national interest, in educational institutions, industry and the general community.
- 4.15 NATA will develop plans to increase the involvement of industry in its laboratory accreditation scheme, to encourage all laboratories (including Commonwealth and State) to be accredited and to promote recognition of the scheme by all users of test and measurement data.
- 4.16 NATA will encourage accredited service providers to identify the specific needs of industry. Fulfillment of such needs would assist in improving export performance, and will ensure that NATA's planned activities are brought to the attention of the widest possible audience of relevant interest.
- 4.17 NATA will ensure that proficiency testing at an appropriate level is an integral part of its laboratory accreditation program.
- 4.18 NATA will ensure that there is adequate separation from its commercial subsidiary, NCS International Pty Limited.
- 4.19 NATA will ensure that any such complementary business activities referred to in Article 3.4 do not conflict with or divert attention from its core activities.
- 4.20 NATA will work with APLAC and other regional fora to ensure that the national interest priorities of the Commonwealth and Australian industry are taken into account in APEC, the WTO, AFTA/CER and other trade agreements and arrangements.
- 4.21 Where NATA intends to enter into an agreement with a Commonwealth agency for the purpose of accrediting laboratories or inspection bodies, it will, in advance of concluding the agreement, advise the Department of Industry, Tourism and Resources of the terms and conditions of the agreement to ensure consistency with this Memorandum.
- 4.22 NATA will respond to concerns raised by Commonwealth agencies with respect to the performance or competence of NATA accredited laboratories and laboratories accredited by NATA's MRA partners and will provide timely feedback to the relevant agency on actions taken to address those concerns.

### Article 5 Commonwealth Undertakings

- 5.1 The Commonwealth may, through a grant-in-aid, provide financial assistance in relation to activities assessed as being in the national interest which will be addressed in detail in the annual Deed of Agreement between the Parties.
- 5.2 Consistent with its obligations, the Commonwealth will continue to:
  - 5.2.1 advise other governments and relevant international conformance organisations that NATA is the nationally recognised laboratory accreditation body; and
  - 5.2.2 inform the laboratory community and users of laboratory accreditation services that NATA is the only Commonwealth Government recognised accreditor; and
- 5.3 The Commonwealth and its agencies will, to the maximum extent possible, participate on NATA Technical Committees and Council. Where Commonwealth officers assist NATA in furtherance of its work as members of Council, its committees or as assessors, no recovery will be sought for the salary and salary-related costs involved. The use of Commonwealth officers in assisting any other NATA activity shall require further agreement with the Commonwealth.
- 5.4 To the maximum extent possible the Commonwealth shall, to satisfy its own testing needs, use NATA accredited laboratories or laboratories accredited by organisations with which NATA has a mutual recognition agreement.
- 5.5 The Commonwealth will encourage other Australian governments and instrumentalities to adopt a similar approach to that indicated in Article 5.4.
- 5.6 All Commonwealth laboratories whose principal function is to provide calibration, measurement, testing or related services to either Government or outside agencies will, as appropriate, obtain and maintain accreditation by NATA.
- 5.7 The Commonwealth shall support NATA's efforts to achieve international harmonisation of standards and codes of practice on laboratory accreditation, inspection body accreditation and accreditation of suppliers of certified reference materials.
- 5.8 The Commonwealth will, where appropriate, invite NATA to participate in national, regional and international intergovernmental discussions involving the standards and conformance infrastructure, unless there are reasons of confidentiality for not doing so. Where such discussions may give rise to intergovernmental agreements, the Commonwealth will, as appropriate, take into account NATA's views on how best to implement such agreements.
- 5.9 Commonwealth regulatory agencies will work with NATA as appropriate to ensure that laboratories accredited by NATA or its MRA partners maintain the required level of competence to satisfy relevant regulatory requirements.

### Article 6 Joint Undertakings

- 6.1 The Commonwealth and NATA will, where appropriate, encourage service providers in all sectors of the Australian community to adhere to the principles of good laboratory practice embodied in NATA's criteria for accreditation, to have such adherence recognised through NATA accreditation and as necessary to incorporate use of accredited laboratories in appropriate purchasing decisions, regulations, quality assurance requirements and operational procedures.
- 6.2 The Commonwealth and NATA will promote understanding and awareness of principles of good laboratory practice and the objectives and mechanisms of laboratory accreditation through educational, training and international activities. Furthermore, NATA and the Commonwealth shall seek to strengthen national information services on technical regulations, national and international laboratory accreditation and associated certification and approvals schemes.
- 6.3 The Parties will work together to arrive at mutually acceptable solutions to any problems or disputes that may arise in relation to this Memorandum.

#### Article 7 Variation

This Memorandum may be varied by agreement of the Parties and any such variation shall be set out in writing and signed by both Parties.

#### Article 8 Termination

The Commonwealth or NATA may, upon giving twelve calendar months notice in writing of its intention so to do, terminate the Memorandum

#### Article 9 Notices

9.1 Notices or communication by NATA to the Commonwealth about this Memorandum shall, unless otherwise notified in writing by the Commonwealth to NATA, be addressed to the Commonwealth as follows:

General Manager

Trade and International Branch Department of Industry, Tourism and Resources GPO Box 9839 CANBERRA ACT 2601

9.2 Notices or communication by the Commonwealth to NATA shall unless otherwise notified in writing by NATA to the Commonwealth, be addressed to NATA as follows:

Chief Executive National Association of Testing Authorities, Australia 7 Leeds Street RHODES NSW 2138 IN WITNESS WHEREOF the Parties have executed this Memorandum on the date first above written.

SIGNED for and on behalf of the COMMONWEALTH OF AUSTRALIA By WARREN ENTSCH Parliamentary Secretary to The Minister for Industry, Tourism and Resources, in the presence of:	) ) ) )	Parliamentary Secretary
SIGNED for and on behalf of the NATIONAL ASSOCIATION OF TESTING AUTHORITIES, AUSTRALIA by BARRY DAVID INGLIS Board Director, in the presence of:	)	NATA Board Director