

**JOINT STANDING COMMITTEE ON
DELEGATED LEGISLATION**

**INQUIRY INTO ACCESS TO AUSTRALIAN STANDARDS
ADOPTED IN DELEGATED LEGISLATION**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
FRIDAY, 14 AUGUST 2015**

SESSION ONE

Members

Mr P. Abetz (Chair)
Hon Robin Chapple (Deputy Chair)
Hon Mark Lewis
Ms S.F. McGurk
Mr P. Papalia
Hon Martin Pritchard

Hearing commenced at 9.23 am**Mr ADAM STINGEMORE****General Manager, Stakeholder Engagement and Public Affairs, Standards Australia, sworn and examined:**

The CHAIR: On behalf of the committee, I would like to welcome you to the meeting. Before we begin, I need to ask you to take either the oath or affirmation.

[Witness took the affirmation.]

The CHAIR: You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

Mr Stingemore: I have.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of the hearing for the record and please be aware of the microphones and try to talk into them. Ensure you do not cover them with paper or make too much noise near them because that makes it a little difficult to hear. I remind you that your transcript will become a matter for the public record. If, for some reason, you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Generally, what happens is that you will be sent a transcript and it will say you have so many days to return it with any corrections that you believe need to be made. If you do not return it, it is assumed to be correct.

Mr Stingemore: Thank you.

The CHAIR: Standards Australia have made a written submission, which is appreciated. We thought we would start with some questions regarding that document. Would you like to start with an opening statement first?

Mr Stingemore: I think the opening statement that I would make is essentially the key points in the submission. We are very pleased that the government of Western Australia is conducting this inquiry. We work always in the net benefit of the Australian community and everything that we do is stakeholder led and provides a net benefit to the Australian community, and importantly the people who choose to work with us make a choice to do so. Having the opportunity to talk to you about that today is very good. I received a list of questions and I am more than happy to work through those however you like.

The CHAIR: In the submission it says that —

On occasions development work is funded by interested groups including government.

What proportion of the work would be funded by interest groups and what proportion by government?

Mr Stingemore: Today, about two per cent of our active project work is funded externally from us, which means obviously 98 per cent of the work is funded by Standards Australia. There are two other important points to make there. To the extent that government or industry chooses to fund

work through our process, they are funding the process not the outcome. Our prioritisation process is based on net benefit to the extent that it is a process which is run twice per year. From time to time, particularly if there are substantial pieces of work which government would like us to achieve through our process, they will come to us and fund that development work. A really good example, and I think we referenced it in our submission, is the work that we undertook for the commonwealth Department of Health for the eHealth standard work program, which is quite substantial. If we were to solely fund the resourcing of that through our own resources, it would take substantially from our capacity to work across other sectors of the economy, and that is fundamentally the basis on which we do externally funded work. The only point of difference is, first of all, how it starts. It can start outside of one of our prioritisation rounds and the process is the same whether it is funded by us or by others.

[9.30 am]

Hon ROBIN CHAPPLE: Can I ask a quick question on that? That external funding provided by government in that particular instance, is that part of that two per cent?

Mr Stingemore: That work program has completed.

Hon ROBIN CHAPPLE: But would it be what we conclude to be part of that two per cent or does it come in the 98 per cent?

Mr Stingemore: No it would be part of that two per cent. The two per cent of work we are doing at the moment is externally funded. That funding comes from —

Hon ROBIN CHAPPLE: That does not necessarily mean it is industry externally funding that. In a lot of cases it would be government.

Mr Stingemore: Certainly, yes, that is a very important distinction. When we talk about externally funded, it is funded by government or industry, and when we talk about Standards Australia resourced, the work is funded, essentially, or resourced by us through our staff as they are. The externally funded pathway is over and above the resources that we allocate to undertaking standards development work through our operating budget every year.

Hon ROBIN CHAPPLE: It might sound a little nitpicky but of that two per cent, how much of that is usually government and how much is industry?

Mr Stingemore: It is a good question. I cannot give you a usual number. The number that I have given you is the number as it is today, and it fluctuates. It moves depending on the demand for substantial programs of work through that pathway.

The CHAIR: It would seem that government and interest groups such as commerce is only a very small portion of the work or that activity.

Mr Stingemore: Absolutely.

The CHAIR: When the government actually funds something like the eHealth thing, what benefit does government get from that? Is there any difference in the standards that are developed in terms of accessibility for governments seeing that they have put in significant funding or does it still have to go through all the normal access fees and all that sort of thing later?

Mr Stingemore: Government or industry who work through an externally funded pathway are funding our process to the extent that our process leads to a publication of a document, then the publishing and licensing agreement that we have with SAI Global is in play and will always be in play in those circumstances. Can I make one further additional point to that, and it is made in the submission: there is also the capacity for government or industry to fund access to the documents at no cost to the end user, but that is a negotiation and arrangement between whoever wants the documents available and SAI Global. Standards Australia from time to time has facilitated those conversations. The eHealth work program is a very good example of that where those documents

are available to the Australian community at no cost to the end user, but arrangements are in place with SAI Global to achieve that outcome.

Mr P. PAPALIA: How frequently does that occurrence —

Mr Stingemore: I cannot give you a number. It is the exception; it is not the rule.

Mr P. PAPALIA: So you have given one instance. Can you reflect on any others?

Mr Stingemore: I can come back to you with some examples in a written submission if you would like me to.

The CHAIR: That would be helpful if you are happy to do that for us.

Hon MARK LEWIS: I have just a follow-up question for clarification. If a department wanted Standards Australia to undertake a project for a set of standards, say, for drilling or whatever, it could pay you on a negotiated basis, and you could make that public?

Hon ROBIN CHAPPLE: What is the negotiation process around that?

Mr Stingemore: We are talking about two processes. The first process is with respect to development of Australian Standards or other normative documents through our process. We resource the majority of that work ourselves. A lot of that work is proposed by government and by industry and that is a pathway which is also available on an externally funded basis, which gets to the point of, subject to our ordinary processes, the publication of an Australian Standard or other normative document. To go back to the question then, there is a separate question as to the access to those documents and that is something that is completely within the control of SAI Global. I cannot talk to that in any detail other than to say that, from time to time, there have been arrangements in place between SAI Global and others to make access to documents available at no cost.

Hon MARK LEWIS: Could the government or any other third party contract Standards Australia to develop an Australian Standard that could be put out to public for free?

Hon MARTIN PRITCHARD: I think the answer is no.

The CHAIR: We will let Adam speak.

Mr Stingemore: Standards Australia has in place a publishing and licensing agreement with SAI Global, which gives SAI Global the exclusive right to sell, market and distribute our content. That arrangement is in place for a period of time into the future. Whilst that arrangement is in place, SAI Global has that exclusive right and anyone can approach SAI Global and undertake a commercial negotiation with them but it is not within the control today of Standards Australia to even have those types of conversations because of the terms of that agreement.

The CHAIR: How long is that contract in place?

Mr Stingemore: The PLA is in place until December 2018 and there is an option, which is exercisable in certain circumstances, the details of which are contained in the prospectus on the listing of SAI Global.

Hon MARK LEWIS: What is the PLA?

Mr Stingemore: The PLA is the publishing and licensing agreement between Standards Australia and SAI Global.

The CHAIR: Is it possible to get a copy of that licensing agreement between SA and SAI Global? I understand it was provided to the Productivity Commission back in 2006. Is it possible for our committee to view that document?

Mr Stingemore: It is a commercial-in-confidence document. The committee could certainly write to Standards Australia and to SAI Global but I cannot answer that beyond what I said.

The CHAIR: I appreciate that.

Mr P. PAPALIA: Has there been any recent inquiry by government into the efficiency of this process where SAI Global are contracted to market and provide the documentation?

Mr Stingemore: The most recent overarching inquiry into standards in Australia was the 2006 Productivity Commission review report, which is referenced in our submission.

Mr P. PAPALIA: When they did that did they look at, for instance, one of those scenarios like eHealth where the government had to negotiate a price with SAI Global to provide free access to everybody? Did they analyse whether, on a daily basis or on a yearly basis all the multitude of fees that are paid on behalf of local governments, individuals, state governments to SAI Global for an individual document, if those fees were aggregated that would equal the same amount of money or perhaps less than was negotiated in the instance where free access was provided because the federal government paid an up-front fee?

Mr Stingemore: I cannot answer that question. You would have to refer to the Productivity Commission report.

Hon ROBIN CHAPPLE: You mentioned one other point. You say there is an option after December 2018. What is the nature of that option or is that again confidential?

Mr Stingemore: I cannot answer that question. It is commercial-in-confidence and the prospectus provides information with respect to it.

Hon ROBIN CHAPPLE: What is the duration of that option?

Mr Stingemore: I would prefer to refer to the prospectus. I can get a copy to the committee of the relevant parts of the prospectus for the committee's viewing.

Hon ROBIN CHAPPLE: We will go for the whole prospectus and then we will go for redacted.

The CHAIR: In your submission you mentioned that your technical experts from industry, government and community contribute their time and expertise. From my reading of it, a lot of volunteer time goes into the development of those standards. Can you briefly outline the process and how many volunteers are actually involved? You have your paid staff and I guess the volunteer input—the experts on different fields. As a rough guide, is it 80 per cent volunteer time and 20 per cent paid staff in the production of your standards?

[9.40 am]

Mr Stingemore: If I can break that question down, our process is one, first of all, which is based on Standards Australia accepting a proposal to undertake some work. Standards Australia does not decide that we are going to go over here and develop a standard or go over here and develop a standard; it is a stakeholder-led process that relies on three key elements. The first is a very clearly defined scope of work to be undertaken. The second element relates to demonstration that undertaking that work would provide a net benefit to the Australian community. The third element is to ensure that the work is broadly supported by stakeholders, including industry, government and community interests in order for us to be able to accept that work. There are other elements there which relate to harmonisation, so to make sure that we are not off developing a technical specification in an area where there are other initiatives underway. Importantly, to the extent that we are able to adopt international standards for use in Australia through the ISO, the IEC and other regional standards bodies, that starts the process provided it is accepted, supported and adds that net benefit. The next stage in the process, once it is accepted, is for the Standards Australia secretariat to prepare to work with a technical committee to undertake that work, so there are a whole range of things that go into that preparation to get to a kick-off meeting. At the time that we kick a project off, we again confirm the scope, confirm the net benefit and confirm the support, and from there the process is slightly different, depending on whether we are amending an existing document, revising an existing document, adopting an international standard or developing a new Australian Standard from first principles. The time that is given by technical committee members is to ensure that the

views of their constituencies are taken into account through the drafting process. We appoint, as a part of the technical committee development work, a drafting leader. Drafting leaders are often technical committee members, so they have an additional allocation of resource to our process in order to undertake that drafting work, and we would rely on the skills, knowledge and experience of our technical committee members, of course, to get to a draft Australian Standard, which is then styled and edited by us to ensure that the document reflects, first of all, what the committee intended it to, but is also drafted in a style that is acceptable as an Australian Standard. We go out to public comment for a period of nine weeks, so obviously, during that nine-week period, the technical committee is doing nothing but waiting for those technical comments to come in. Once they have been received by us they are aggregated; they are put into a form whereby the committee can consider them, and the committee will then consider and resolve those technical comments. We will then prepare a further draft; the draft will be styled and edited and then put to the technical committee for a full period of ballot. So, when we are talking about an Australian Standard or the adoption of an international standard, our technical committees, on behalf of their constituencies, must vote on the document to say, “Yes, we support this” or “No, we don’t”. Again, there is a time commitment from technical committee members to engage with their constituencies to understand the document, to read the document and to come back with a position. The document is then finally edited by us and sent for publication, at which point it is sent to SAI Global, who then undertake the distribution of it.

I am unable to give you a picture of how much, on a percentage basis, the technical committees add to our process or how much we do; it varies from sector to sector. Clearly, it varies. If we are adopting an international standard that has been settled internationally, that is a very different process from developing an Australian Standard. Equally, technical committee members work with us to contribute to the development of international standards, attending international meetings and, essentially, working internationally in the same style that we work in Australia. But I think the point to make there is that the voluntary contributions that come to us from our contributors provide the skills, knowledge and experience from a particular perspective, but the independence of our process, its robustness, its style, its openness, to the extent that we put all documents out to public comment in compliance with Australia’s World Trade Organization obligations leads, to the outcome; and if you took away one component of that, you would not be able to develop an Australian Standard. I think the point to make there is that it is the contributions of the contributors into our process that leads to the outcome.

Hon MARK LEWIS: It is like Wiki standards!

Mr P. PAPALIA: I am looking at the Productivity Commission report which breaks down where the money comes from.

Hon ROBIN CHAPPLE: You mentioned another point there—the nine-week period. How do people become aware that a standard is out for public comment? I have never actually seen it, and I am an old researcher, so I am surprised.

Mr Stingemore: There are a number of ways. The first way is that we publish a list of all standards that are out for public comment on our website every month to make sure that people are aware. The second way is that we encourage our technical committee members to get their nominating organisations, or those who they represent, to let their constituents know that the documents are out to public comment. We are building and increasing our social media presence, obviously understanding that the world is changing. We are tweeting and we are updating on LinkedIn and Facebook. We are doing a range of things to increase public awareness of documents that are out for public comment. We develop media releases from time to time, available on a website and sent to trade publications and to government news services, to let people know that documents are out to public comment as part of our commitment to that process.

The CHAIR: Do the experts provide their expertise on a voluntary basis generally, like professors from universities or whatever that give their time? Is that unpaid or is there some kind of fee paid for time that they spend working on this?

Mr Stingemore: By us, by Standards Australia, there is no fee paid to technical committee contributors. In terms of those who contribute to our process, obviously those from government and some industry contributors do it as part of their work; they do it as part of their ongoing employment relationships. Importantly, when you are talking about industry contributions, they are not there to represent a company; they are there to represent a nominating organisation or a group—through a trade association—and we provide funding to the Consumers' Federation of Australia on an annual basis to allow the CFA then to fund contributions from the consumer community sector to our process.

The CHAIR: Good. And the commonwealth, state and territory governments, in your submission, we are told are members of Standards Australia. Does membership convey any rights, privileges at all or special access to things? Is there anything special about that?

[9.50 am]

Mr Stingemore: Our constitution is available on our website. We are a company limited by guarantee. Our members are there essentially as a governance group. They appoint councillors; councillors attend the AGM. Beyond that there are no additional rights to access our publications. There is a point to make there, though, in terms of access to our publications, and that is that our technical committees, of course, have access to Australian and international standards for the purposes of standards development work as they go about their business.

Hon ROBIN CHAPPLE: Do you have to pay for those international standards?

Mr Stingemore: We pay a membership fee to ISO and IEC each year, and the commonwealth, through the Support for Industry Services Organisations grant, contributes to the membership fees of ISO and IEC.

The CHAIR: Is that a fairly significant sum each year?

Mr Stingemore: The SISO funding?

The CHAIR: Yes, like the fee that you pay to ISO for access to their standards to be able to work with that; is that a significant sum?

Mr Stingemore: I can take that on notice and come back to you with a number.

The CHAIR: Fine.

Hon MARK LEWIS: Normally, with a limited not-for-profit organisation—it is a membership-based group—is there different equity of the individual members?

Mr Stingemore: I will send you a copy of our company constitution.

Hon MARTIN PRITCHARD: With regard to the technical people on that committee, they may obviously be able to access the standards, but they cannot distribute them.

Mr Stingemore: They have access for the purposes of standards involvement only.

Hon MARTIN PRITCHARD: That is right, yes

Hon MARK LEWIS: Just to follow up, in terms of voting, do the members have different weighting?

Mr Stingemore: Our standardisation guides, which are available on our website, set out the rules for the development of Australian Standards. The answer is that we have rules of consensus that provide that we must reach consensus, which does not mean unanimity, but we will not publish a document in circumstances where a major sectoral interest has consistently submitted a negative vote.

Hon MARK LEWIS: I have another follow-up. So, in 2018, when it comes to decide on whether the option for the PLA is going to be rolled over or not, do the members have a voting right on that?

Mr Stingemore: I cannot answer that question.

Hon MARK LEWIS: Do you mean you cannot or you do not know?

Mr Stingemore: The extent to which I can talk about the terms of our arrangements with SAI Global is limited on the basis that it is commercial-in-confidence, but our company constitution is available on our website, which sets out how our company works.

Mr P. PAPALIA: I am looking at your annual report, and it has got a financial statement in it. I am trying to determine whether the annual costs of operating and providing the standards exceed revenue generated from SAI and also your own revenues? Is that the case, so that you actually get topped up by government?

Mr Stingemore: No. In our submission, at paragraph 11: “Standards Australia’s costs are subject to a very structured financial model which works on an annual break-even budget.”

Mr P. PAPALIA: Okay; so then I go back to the 2006 Productivity Commission report into standards and they have a snapshot where they talk about current funding, and when you look at that—I am not sure that I am reading it correctly—it looks as though the revenues far exceed the operating costs, like extensively; the revenue that is generated is millions and millions in excess of the actual operating costs. Is that the case normally? I think I added up the revenues that they have got in this table and it is \$18.8 million. They are talking about expenditures of \$15.9 million—this is in 2006—and when you add up the revenues, it is \$18.8 million. Is that the normal sort of ratio?

Mr Stingemore: Our financial model is very structured. In order to sustain the business, we have an investment caucus. The investment caucus came on the divestment of the business which is now known as SAI Global, through the initial public offer in 2003. We work on a basis that Standards Australia must be able to sustain itself long term and continue to deliver net benefit to the Australian community by relying on a return from that investment corpus to fund our operating activities.

Hon ROBIN CHAPPLE: So you have a reserve fund or something like that?

Mr Stingemore: Yes.

Mr P. PAPALIA: They have it invested. What I find interesting is the assumption that the whole process has to continue to generate more revenue than the cost in an effort to ensure that your investments are sustained and it becomes self-sustaining. But the question I have is: I wonder if anyone has ever looked to determine, as I said before, if you aggregated all the fees that are submitted to SAI Global or yourselves through the whole of the process, whether or not they would have just funded the activity anyway, and for free, so the actual end user could have got it for free and all the government agencies who are contributing as part of this business model, if they had all contributed a fee to the federal government, they might have actually funded the whole thing without having the business model that we have established. Anyway, it is for government to —

The CHAIR: I guess the context—you have probably gathered that from our terms of reference—of our concern as a committee is that a lot of government regulations give reference that you have to do this according to Australian Standard number such and such, and somebody living in the outback having to construct something —

Mr P. PAPALIA: In Mukinbudin!

The CHAIR: I was going to say that, but I thought you may not know where Mukinbudin is! A tradesman who needs to access that, how is he going to access that? He can access it, I think, in the State Library here in Perth, but that is practically not very viable to be done.

Hon ROBIN CHAPPLE: And also, just as a committee, quite often we are confronted with a regulation—in fact, most regulations, come through with a reference to a standard and we cannot see the standard.

Mr P. PAPALIA: So, if anyone wants to look at it—say, some farmer needs to put a fence up and the local government has passed a local law that dictates an Australian Standard, they have to pay for it or he has to make the 400-kilometre trip to the council office to look at it at the front desk, if he is lucky.

The CHAIR: That is the issue that we are struggling with and trying to get our heads around—what is the best way to address this ongoing challenge—because I guess we are committed to the notion that if Parliament passes laws and regulations, we expect people to adhere to those, but if we expect that, we also need to make them accessible. That is the challenge that we face.

Mr Stingemore: It is a very interesting question, and if I could break it down, in terms of my answer, I refer to paragraph 17 of our submission. In the first place, we say that these are the questions that governments should ask themselves at the beginning of a process, and not post-fact. So, to the extent that the Western Australian government and all the states and territories and the commonwealth in Australia have best practice regulatory guidelines, which are largely very similar, the question that should be asked in the first instance is: what is the appropriate solution to the problem? To the extent that it has a technical element to it, there are a range of measures that government has available to it at that point. The first is to reference a third party specification, or a standard that is developed by an organisation like ours, understanding, of course, that we develop voluntary documents. The decision usually is a matter for government, not for us. Government can also develop its own specifications. From the perspective of Standards Australia, we are all about harmonisation, internationally and across the state and territory governments. One of the major points of concern with a number of our stakeholders is the lack of harmonisation between the states and territories, to the extent that there are technical regulations in place, so we say that having one national standard that is internationally aligned is the place to start, but then how that is developed is really a matter for the people who are going to use it, and the decision-makers in government.

[10.00 am]

Hon MARK LEWIS: That is fine, and I understand that; you are right. That is why I was asking the questions earlier about did the members get a vote or have a say in the license, the PLA, the exclusive PLA to SAI? If the members did not, which is the government, and it was the management, then there has been a disconnect between what government members might want compared to what management might want.

Mr Stingemore: I would like to take that as a question on notice and provide you with a written answer to it. If I could come back to the options that government has available to it, Mr Chair, the other alternative that government has at the time that regulations are being developed is to look to performance-based regulatory frameworks, which allows for consumer and user choice, in terms of how they demonstrate compliance. The Australian Building Codes Board, which publishes the National Construction Code, is a very good example of a performance-based regulation that allows for people to make a choice as to how they comply with the regulation, and the harmonised national work, health and safety model code that has been adopted, I think, in some states, again, moved to a model whereby there is choice, in terms of compliance.

The CHAIR: Can you explain that for me? I am not quite sure I understand what that means.

Mr Stingemore: So, when developing regulation, instead of referencing a particular specification, government can set performance measures to say that you must achieve this bar, and then there is a choice as to how you demonstrate that. The National Construction Code provides a range of choices in demonstrating compliance with the performance provisions, which includes Australian Standards, or if you choose to use an American standard, or a European standard,

provided it meets those performance requirements, the choice is there. The other alternative that government always has is the capacity to develop its own technical specifications, which it references in regulation. But I do want to deal with this question of “free”, if I can. It is a very important but nuanced point for us. When you are talking about the development of Australian Standards, when you are talking about the contributions that come to us from our expert committees, from the governments who support them and the industry associations who support them, there is an opportunity cost there in their contribution. There is also a cost to us in the process. Without an independent and neutral standards body that manages the process, those contributions would not necessarily end up in the way that they do. But, talking about making the outcome of that process available at no cost to the end user is very different from talking about free. I am going to use the National Construction Code as an example. I do not know how many of you are familiar with the National Construction Code.

The CHAIR: I cannot say I have read it.

Mr Stingemore: It used to be the Building Code and the Plumbing Code that have come together through the management of the Australian Building Codes Board, which is a codes and standards writing body set up by an IGA—an intergovernmental agreement—and until this year, there was a cost to the end user to purchase the National Construction Code. Governments moved to a model whereby now the National Construction Code is available at no cost to the end user, because the contributions that used to come to the Australian Building Codes Board, to the running of that operation from the sale of the documents, are now being contributed directly by the governments who support the process. But, there is a cost there. The cost has not changed; the model has changed, and it is not free. So when you are talking about equitable access to any documents, you get to the question of: is it available to governments to fund access to particular content through arrangements that might make them available in all the public libraries in Western Australia? And I think, in our submission, again we make the point that we understand that in New South Wales there is a license subscription for the full catalogue of Australian Standards being made on a view-only basis to the New South Wales state library and to public libraries as well. There is a cost there to the government, of course, in implementing that, but in the long term, Australia benefits greatly from a viable independent national standards body.

The CHAIR: We have no hassles with that at all. I guess the question would be: what is the total budget of Standards Australia? What is your total operating cost per year, roughly, at the moment?

Mr Stingemore: Subject to verification—again, I will do this by way of written response—I think it is about \$18 million per annum.

The CHAIR: I guess the thing that has been going through my mind, is say—let us round it up to \$20 million—for the overall benefit of the Australian community industry, would it be not better for, let us say, the federal government to come up with \$10 million and leaves the other states \$2 million, and provide that to Standards Australia on the basis that whatever standards you produce are put on your website and are publicly available. So, in a sense, we appreciate there is no such thing as a free lunch—somebody has got to pay for it—but in terms of community benefit, and the simplicity of processes to have government simply fund it directly so that the public does not have to pay a fee to access it. Do you see any objection to that? SAI Global would not be very happy with that because their business would evaporate, but in terms of the creation of standards, do you not see any issues arising with that kind of approach?

Mr Stingemore: I cannot answer that question.

Hon MARK LEWIS: It is a question for government.

Mr P. PAPALIA: That is the crux of the matter and it is the question that, coming out of this, would be exactly what he just said.

The CHAIR: I am just asking whether from Standards Australia—if government were to fund it, would you see that as perhaps seeing as government being in control of Australian Standards, or would it in any way—do you see any negatives in terms of the integrity of the standards system? Let me put it that way.

Mr Stingemore: I cannot answer that question.

Mr P. PAPALIA: I have got another way of asking a similar question. What value-adding does SAI Global provide to the whole process?

Mr Stingemore: I cannot answer that question.

Mr P. PAPALIA: You cannot tell us what benefit they bring to the whole process?

[10.10 am]

Mr Stingemore: SAI Global, in terms of their publishing business—the business that publishes Australian Standards and of course they have a certification business that equally contributes to standards' development but in a different way—distributes Australian Standards across the economy and international standards across the economy. SAI Global have put in a submission and any questions as to SAI Global's contribution should properly be directed to them, not me.

Mr P. PAPALIA: They are pretty hard to track down.

Mr Stingemore: Can I go back to this point about the contribution to the Australian community from Australian Standards. It is always very hard, in our organisation, to articulate the value that standards add to the economy. The World Standards Day message a few years ago was “Imagine a world without standards” and it is very hard to. It is very hard to measure the contribution that we make to the economy through the development of documents for sanitary plumbing, for instance. The counterfactual of having hideous diseases in our water supplies is not there, so it is very hard to measure that contribution to the extent that we have very robust rules for electrical safety, for instance. It is very hard to measure the counterfactual in Australia. We have been around 92 years. I think there are two questions there that need to be answered. The first is: what is the best way for Australia to develop technical specifications and standards? I think having an open, transparent and independent national standards body is very important—number one. Having a choice for governments and for stakeholders to make with respect to how they do that is also very important. We claim no monopoly over the right to develop Australian Standards in Australia. There are other organisations accredited through an accreditation board that develop Australian Standards using our process and our brand. There are five organisations, I think, who do that today. But equally, anyone can go and write a small “s” standard today and there will be different business models that support different standards writers. In the IT environment, for instance, internationally there is a whole range of different conglomerates who write technical specifications and some of them do operate almost in a Wiki-blog environment. They rise and they fall. At the end of the day in Australia, the trust that is placed in our brand through industry and government to work with us is there because of the nature of the process. I cannot talk to those questions that you ask as to how it is delivered, but I do not think the two can be considered together; they must be considered separately.

Mr P. PAPALIA: SAI Global, in the digital age—I am assuming that there is not anywhere near volume of hardcopy products created when a standard is created nowadays than there used to be in the past. I am wondering how much of their contribution is producing a document as opposed to your digital reference that anyone could access online or that you actually create because you are writing the draft; you are producing the product. All they do is market and distribute it and in this age you do not actually have to do much to market and distribute things like standards. All the people that we talk to would like to just access them on the internet and they cannot because there is a charge associated with it. Are you able to say how much of their role is producing a hard copy of something?

Mr Stingemore: You would have to ask SAI Global.

Mr P. PAPALIA: Which is why they do not want to talk to us.

Hon ROBIN CHAPPLE: You have raised two points in our discussion that I would like to go back to.

The CHAIR: Just before you do that: Paul, I am not sure that is an appropriate comment to be on the record because they have agreed to talk to us.

Mr P. PAPALIA: Yes, I think some time after September.

The CHAIR: Whatever time; just for the record I want to correct that.

Hon ROBIN CHAPPLE: We will get stuck into them when we see them. I will be here for the meeting.

You actually, on some cases, work from an international standard.

Mr Stingemore: Yes.

Hon ROBIN CHAPPLE: Do you pay for that international standard membership?

Mr Stingemore: We pay a membership fee to ISO and IEC.

Hon ROBIN CHAPPLE: So you do not actually pay for that standard?

Mr Stingemore: The particulars of the arrangement with ISO and IEC, I will come back to you with in a written form.

Hon ROBIN CHAPPLE: Okay, fine. So you get the international standard and how much modification do you maybe make to that standard? I am aware of some standards—I happened to have worked in the mining industry—which are a direct reference; they are identical. So you nothing other than basically top and tail an international standard and it then goes to the marketing people.

Mr Stingemore: I do not want to take away from the work that we do in terms of making sure that all of the work that we do —

Hon ROBIN CHAPPLE: No, no. I am not criticising that.

Mr Stingemore: I do want answer this because it is an important point. If you go to the 2006 Productivity Commission report into standards and accreditation, there were some recommendations made with respect to our development process. So we have a team of national sector managers who engage in each sector of the economy to make sure that we are working where we need to be; we are engaged with the industries and the governments to make sure that the standards that they need are being developed for our process. There is a significant investment that goes into that process pre-committee work; making sure that we have a scope, which might be the adoption directly of an international standard, the net benefit case and the stakeholder support. I make that point because our average standards development time has been able to go from about four and a half years to 15 months by putting in place these measures to make our business more efficient in terms of the way that we operate. It is one thing to say, “Here is an international standard, Australia”. It is another thing to say, “Here is an international standard that we have contributed to the development of” which we do, supported by the commonwealth through the SISO arrangements, and then to apply it in Australia. The contribution that we make to the process goes to making sure that we have an open process, and one that is built on consensus. The issues that we face—the resources that we apply to technical standards’ development work—in some cases are even more on the direct adoption of an international standard than developing a standard here in Australia.

Hon ROBIN CHAPPLE: Again, I will be very clear that I am not worried about, in essence, your costs. I think you are doing a great job; end of story. I do not want you to defend your position because we are not after you. Your issue then becomes when you adopt an international standard.

Where this comes from, working for BHP, quite often we were using international standards because they were in advance of Australian Standards—no criticism—and then your standards would come along. But when we were operating from international standards, we got those for free.

Mr Stingemore: Someone was paying somewhere.

Hon ROBIN CHAPPLE: Yes, I know, but they were online so we just used to work from them. So we were working from American standards, which were free. They were in advance of Australian Standards but they met the criteria that BHP required because they were trying to get ahead of the game. They would have still fitted with existing Australian Standards but they were a level higher. Again, it is not a criticism. So we were operating from a standard which we did not pay for but the moment you bring in a standard, we have to go to SAI Global and pay for it. So that makes the whole thing seem a little bit ludicrous. The point that I am trying to get to is that if you adopt an international standard, after all your due diligence it has cost you a lot of money and whatever—it has not cost SAI Global anything—that is what can happen. You adopt an international standard after due diligence and we end up paying for it from SAI Global.

You then also said that other agencies—other governments—can develop their own standards. So the Western Australian Parliament, if it wanted a building code of its own, could adopt a standard. Can it copy an international standard? Can it copy your standard and re-badge it and make it their own, because you do with an international standard?

[10.20 am]

Mr Stingemore: We are a member of ISO and IEC. I want to make a distinction, first of all, in terms of international standards. When we talk about international standards with a capital I and capital S, we are talking about ISO, the International Organization for Standardization; the IEC, the International Electrotechnical Commission; and then the third one is the ITU, the International Telecommunications Union. We are members of ISO and IEC, and I think the commonwealth Department of Communications is the member of the ITU. With membership of those international bodies comes the right to adopt and use the content developed through those systems, which of course we contribute to as Australia. So, Australia, through our process and through the contributions of governments and industry, contributes to all those documents. When you were talking about a standard over here in the US—I am not entirely sure which one you were talking about it—if it was available at no cost to the end user —

Hon ROBIN CHAPPLE: It was a rail-related standard.

Mr Stingemore: — then obviously there is a different business model behind it that supports its development, and that will continue to be the case. To the extent that we publish any document through our process, the arrangements in place through the publishing and licensing agreement with SAI Global come into play and the document is distributed in accordance with that document or with the terms of that arrangement.

Hon ROBIN CHAPPLE: I am not particularly worried about that aspect of it. What I was really coming to is the fact that if the Western Australian government wanted to bring in its own building standard that was free because it created its own standard —

Mr Stingemore: Available at no cost to the end user?

Hon ROBIN CHAPPLE: Yes, at no cost to the end user. Could we mirror, copy, use an Australian Standard to create that independent standard, because you did talk about other agencies doing that?

Mr Stingemore: So, you can develop any document that you like. The arrangements that would be in place with respect to the use of intellectual property would need to be negotiated in the usual way.

The CHAIR: There are copyright issues there?

Hon MARTIN PRITCHARD: Australian Standards would have a charter, I presume?

Mr Stingemore: A constitution.

Hon MARTIN PRITCHARD: And the constitution would deal with things like independence and rights?

Mr Stingemore: Yes.

Hon MARTIN PRITCHARD: Does it also deal with anything about distribution—about providing it to the end user?

Mr Stingemore: I would have to refer to the constitution to answer that question, and I will make the sure committee is provided with a copy.

Hon ROBIN CHAPPLE: One other point you made was that you said that there were other people who created standards in Australia.

Mr Stingemore: Yes.

Hon ROBIN CHAPPLE: You said there were five, I think?

Mr Stingemore: There are organisations accredited through our process through the Accreditation Board for Standards Development Organisations that develop Australian Standards.

Hon ROBIN CHAPPLE: Do they still have to go through SAI Global?

Mr Stingemore: That is my understanding.

Hon ROBIN CHAPPLE: Your understanding? Can we get a clarification on that?

Mr Stingemore: You would need to ask SAI Global as to the arrangements they have in place with third parties.

Hon ROBIN CHAPPLE: Could we get a list of those organisations that do create standards, and an approximation in, sort of, what areas they create them in and how many there may be? Are they competitors of yours or are they just others?

Mr Stingemore: No; we do not compete in Australia on standards development. These organisations are accredited through our process to develop Australian Standard brand standards. There is nothing to stop anybody developing a standard or a specification in Australia. Industry associations do it, codes of practice are developed; there are national standards for a whole range of things developed by the commonwealth not through our process. We are one option that is available to Australia when it comes to developing normative documents. The organisations that choose to be accredited through our process make a choice to do that. The Pharmacy Guild of Australia is one of the organisations accredited through our process, Australian Forestry Standard Ltd, which develops an Australian Standard for chain of custody of wood products, is another. The Rail Industry Safety and Standards Board again develops Australian Standards in the area of railways, and they make a choice to do that through our process. They work to the principles of openness, transparency consensus of ours, and essentially develop using the same methodology we do to develop Australian Standards. The secretariats are managed by different organisations from us, but we are not the only pathway. The point I am making is that the Australian Standard is not the only pathway available in Australia to develop normative technical documents.

Hon MARTIN PRITCHARD: You do not try to get into that conflict?

Mr Stingemore: No, and that is a really important point to make. The work we do is based on broader stakeholder support, net benefit to the Australian community and a clear scope —

Hon MARTIN PRITCHARD: You are not in competition with others?

Mr Stingemore: No. We do not set the agenda in areas that we go. It is a matter for the stakeholders to come to us to say we need to develop standards in this area.

Hon MARK LEWIS: So, is there any legislative base by which you are the only AS provider, because you say the other five have to come through and use your—so what gives Standards Australia the legislative base to be the only —

Mr Stingemore: We do not have a —

Hon MARK LEWIS: There is no legislative base to say that you are the only Australian Standard —

Mr Stingemore: No. Using our brand and our process.

Hon MARK LEWIS: Your brand. So somebody else can come up and say—God bless him, Kerry Packer could come along and set up another AS1?

Mr P. PAPALIA: He cannot come along.

Hon MARK LEWIS: Or his son could set up a—you know what I mean.

Mr Stingemore: Then there are other standards bodies in Australia that we with. The Australian Building Codes Board is a standards and codes right.

Hon ROBIN CHAPPLE: Do they have to go through SAI Global?

Hon MARTIN PRITCHARD: You said you had to ask that.

Mr Stingemore: Well, no, because they are not us. HL7 is another example: Health Level Seven in Australia develops standards in the e-health area, and we work with them. They work on our committees; we cooperate. They are an alternative standards writer to us through their process, but it is not our process. When the governments decide to write national standards for things—I think there are some national standards, as an example, for the minimum standards for employment—they are developed by the commonwealth, not by us. I am quite sure—I should have looked before I came—that the Western Australian government developed standards in particular areas; I am not quite sure, I take that back. There might be standards developed in Western Australia for particular things. Our focus as Australia's peak non-government standards development organisation is harmonisation. So to the extent that people choose to work with us or not, our message to them would always be that Australia needs one set of harmonised rules.

Hon ROBIN CHAPPLE: We are with you.

Mr Stingemore: But beyond that—I want to go back to this point again—governments choose to regulate in particular ways. We do not know sometimes that particular documents of ours have been referenced in an ordinance somewhere. It is a challenge for us. We have developed a tool now that is available on our website, supported by the commonwealth and developed by AustLII, that you may be aware of. I think the UNSW and UTS came together to develop an online searchable set of regulations and laws in Australia. There is a tool on our website now that allows us to search to see where our standards are referenced. Sometimes we work with governments directly to develop a document that they would intend, in particular circumstances, to reference in laws and regulations. The Australian Building Codes Board is one, the ACCC is another. But sometimes, and this can be a matter of concern for our stakeholders, they will find one of our documents has been referenced over here and it was never meant to be used in the way it has been used. If the committee was minded to look at how governments can work better with us in terms of engaging with us when assessing whether Australian Standards should be used in regulation, we would embrace that type of recommendation because it makes our job easier.

Hon MARK LEWIS: That is the question.

Hon ROBIN CHAPPLE: If another agency or another organisation wants to develop standards, do they have to have a particular status or qualification? I am the deputy chair of this committee: could I develop a standard about the distance we speak from microphones? Could I do that?

[10.30 am]

Mr Stingemore: There is nothing that Standards Australia is putting in your way to stop you from doing that. I do not know.

Hon MARTIN PRITCHARD: It just would not be very credible.

Mr Stingemore: That is right. Yet it comes back to the brand and the integrity and the trust and the stakeholder engagement and the consultation that is our process.

Hon MARK LEWIS: The independence.

Mr Stingemore: The independence; that is right.

The CHAIR: We have only another couple of minutes left. When the SAI Global type of arrangement came into being, how was the marketing done before that time? Volunteers give their time, to some degree, to develop the standards. Then afterwards, if they want to access them, they have to pay for that. Has that resulted in some kind of negativity amongst volunteers or not?

Mr Stingemore: In terms of the question as to marketing, I do not know, but if you would like me to find out, I can. With respect to the access to publications developed by technical committee members, if I did not make this point before, I should have. At the end of a project, Standards Australia ensures that our technical committee members get a certificate of appreciation from us and a hard copy of the Australian Standard that they have worked with us to develop from SAI Global.

Hon ROBIN CHAPPLE: On the proviso they do not sell it.

Mr Stingemore: In recognition, in some small way, of their contribution to the process, they get a hard copy of the document.

In terms of the other point that you made, our technical contributors come to work with us to make a difference to Australian life. That is why they come—to add to the net benefit of the Australian community. I cannot speak to what is in their minds, of course, as to what they think and feel. I think a number of our members have made submissions to this inquiry, so you will be able to ask them later today, I think, when they come to present before you.

The CHAIR: We are running over time so I will just allow one more question.

Hon MARK LEWIS: It is the final one that I had. It is a two-part question. Just roughly, because we can probably get it off the web anyway, the exclusive licence fee you get from SAI is roughly what?

Mr Stingemore: Our annual report sets out the royalty that we receive from SAI Global. I will send the committee a link to it.

Hon MARK LEWIS: In some way your ongoing operational ability is linked to the ongoing nature of the exclusive agreement and the revenue stream from that. In some way you are linked to that for your ongoing operational capacity.

Mr Stingemore: Our process is based on net benefit to the Australian community. We do the work that stakeholders want us to do to the extent that we are able to do it. It is an open process that is based on net benefit. We assess projects that come to us based on the net benefit to the Australian community that doing the project would give and deliver.

Hon MARK LEWIS: It was not a tricky question. If governments or your members—Standards Australia members—wanted to unwind that agreement, the members would have to come up with the equivalent of the licensing fee that you might get from SAI.

The CHAIR: I would just like to thank you very much for appearing before us today. The transcript of the proceedings will be forwarded to you. The covering letter will indicate what time frame you will have to get it back; it is usually about five days or something like that to get it back to us. Once that is finalised, I think it will go onto our website. It will be on the public record.

Mr Stingemore: In terms of timing, will the transcript come in 14 days?

The CHAIR: No. Hansard is more efficient than that. They will get it to you sooner than that. The letter will say how many days you have to get it back and so on. That will be fine. Thank you again for appearing before us.

Mr Stingemore: There are a number of things that I took on notice and I did not write them all down.

The CHAIR: That will be in the transcript. You will be able to pick up on that. We will appreciate getting those in due course.

Mr Stingemore: Excellent. The expectation will be that I will provide that information once I have got the transcript.

The CHAIR: Yes.

Mr Stingemore: Wonderful. Thank you all.

Hearing concluded at 10.34 am
