



**Standards Australia Submission:**

**Joint Standing Committee on Delegated Legislation**

*Inquiry into access to Australian Standards adopted in delegated legislation*

## Introduction

1. Standards Australia welcomes the opportunity to make this submission.
2. Standards Australia has an interest in public access to the Australian Standards we develop given our mandate and role in the economy.
3. Currently, public access to Australian Standards is exclusively managed by SAI Global Limited in accordance with an exclusive commercial licencing arrangement with us.
4. Our contribution to the Inquiry will focus on the role of Standards Australia as a partner with government and industry, and our views on how Australian Standards can be adopted by governments.

## Key points

- i. Standards Australia develops voluntary consensus-based Australian Standards which add to the Net Benefit of the Australian community.
- ii. There are significant costs associated with the development of Australian Standards. The work to develop Australian Standards is predominantly funded by Standards Australia whose income sources include a royalty from publication sales. On occasions development work is funded by interested groups including government.
- iii. SAI Global Limited, a company in which Standards Australia has no ownership or control, is responsible for the sales and marketing of Australian Standards by way of an exclusive licence to publish, distribute, market and sell Australian Standards and other documents that we produce.
- iv. The decision to adopt (or 'reference') Australian Standards for regulatory purposes is made by governments on a case-by-case basis. The cost of access to an Australian Standard referenced in regulation should form part of the initial regulatory impact assessment process when developing and reviewing regulation.
- v. There are several public access options that could be considered by government when deciding whether to reference Australian Standards in regulation, including funding full public access to the third-party material, licensing arrangements and subscriptions (for example at state and regional libraries).

## About Standards Australia

5. Standards Australia is an independent, not-for-profit, member-based, standards development organisation. Our members include the Commonwealth, State and Territory governments, peak industry associations and community groups. We note that the government of Western Australia is a member of Standards Australia.

6. We are recognised by the Commonwealth as Australia's peak non-government standards development body. We are Australia's member of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). We hold positions on the technical management boards of both ISO and IEC.

### ***Benefits of Standards***

7. Having a strong, robust and independent standards-setting system in Australia adds greatly to Australian life. Standards make an important contribution to society by:
  - Facilitating market exchange;
  - Facilitating international trade, transport, communication and innovation;
  - Improving the process of research;
  - Providing businesses and consumers with greater certainty about the safety and quality of products;
  - Addressing public concerns on issues such as health, safety and the environment; and
  - Harmonising supply chains nationally and internationally and contributing to trade in compliance with Australia's World Trade Organization obligations.

### ***Relationship with SAI Global***

8. Following an Inquiry commissioned by the Commonwealth in 1994 it was decided that Standards Australia should separate itself from the related commercial publishing and conformity assessment activities so that its sole purpose was to fulfil its national interest obligations in developing Australian Standards.
9. This was ultimately achieved in 2003 through the divestment of the non-standards development activities to SAI Global Ltd. SAI Global was granted an exclusive licence to publish Australian Standards, an arrangement that remains in place today. Standards Australia has no share in or control of SAI Global.

### ***Funding of standards development***

10. There are substantial costs associated with standards development. Whilst technical experts from industry, government and the community contribute their time and expertise on our technical committees, there are substantial costs in providing the infrastructure and support for this work. There are also significant costs in undertaking our international obligations as Australia's member of ISO and IEC where much development work is undertaken which ultimately flows through to the benefit of standardisation in Australia.
11. Standards Australia's costs are subject to a very structured financial model which essentially works on an annual break-even budget. Revenues are derived from royalties that flow from the sale of Australian Standards, a limited amount of specific government funding, and investment revenues. It is fundamental to Standards Australia's business model that it is financially sustainable in the short, medium and long term.

12. International standards bodies such as the ISO and IEC, as well as other national standards bodies, also employ similar business models where operations and standards development activities are funded through royalties from the sale of Standards and related documents.

## **Standards and Regulation**

### ***Referencing Australian Standards in regulation***

13. Standards Australia develops voluntary Australian Standards. The decision to reference Australian Standards in regulation is one for governments to make and Standards Australia plays no role in this.
14. Standards Australia encourages government engagement and participation in our process. We work actively with the Commonwealth, State and Territory governments in Australia to ensure that the work that we do is complementary to government policy objectives. Equally, we work directly with governments when they have a need to specifically reference Australian Standards and other documents.
15. Performance-based regulatory arrangements that allow for technical standards and other specifications to be used in a non-prescriptive way often deliver acceptable outcomes for government, industry and the community. Our work with the Australian Building Codes Board is a good example of how performance-based regulation can work well to deliver a national set of requirements through one system.
16. Where there is a need to reference a particular technical specification in regulation, the cost of compliance, including the cost of purchasing and licensing any third-party referenced material should be taken into account at the time of initial regulatory impact assessment.

### ***Considering options at time of developing regulation***

17. Standards Australia submits that the WA government could consider the following options at the time of developing or reviewing regulation:
  - a. Reference a third-party specification or standard which is available in the Australian market, and also consider increasing public access (for example through public libraries) through licensing arrangements;
  - b. Develop a specification within government and then make that document available at no cost to the end-user;
  - c. Develop performance-based regulation that allows technical specifications to be used in a non-prescriptive manner;
  - d. Include technical specifications in regulation so there is no need to reference a third-party specification or standard.

### ***Funding public access to Standards Australia content at no cost to the end-user***

18. In 2006, the Productivity Commission commissioned a Research Report into Standards Setting and Laboratory Accreditation. One of the matters considered by the Productivity Commission in this report was whether Australian Standards should be made available at no cost to the end-user. The Productivity Commission found that:

*'...funding to subsidise access to Australian Standards would be best made directly by the government agencies responsible for the relevant regulations. The cost of facilitating free or low cost access could then appropriately be considered in any assessment of the costs and benefits of proceeding with the regulatory standard.'*<sup>1</sup>

19. In some circumstances, governments have funded access to particular standards to meet a policy objective. Notably, the Commonwealth Government through the Department of Health has entered into an arrangement by which SAI Global Limited makes e-health related standards and specifications available at no cost to the end-user. Such arrangements are managed on a case-by-case basis and by way of negotiation with SAI Global Limited<sup>2</sup>. This could potentially be one of the options available to the WA government.

#### **Public access at libraries**

20. Another option would be for the WA government to increase access to Standards through state and regional libraries. We understand that in NSW, the State Library of NSW has purchased subscriptions for the full catalogue of Australian Standards to be made available for free view-only access, not only for the State Library of NSW itself but also for NSW public libraries in general. In contrast, we understand that the State Library of Western Australia has purchased a subscription for view-only access to the full catalogue of Australian Standards, but no such subscription has been purchased for or by any regional libraries in Western Australia. If the WA government is minded to pursue this option of improving access through libraries, then the appropriate point of contact for establishing additional subscription arrangements is with SAI Global Limited, not Standards Australia.

### **Response to the Terms of Reference**

#### ***The level of free public access to adopted Australian Standards in metropolitan and regional Western Australia***

21. We understand that SAI Global Limited has arrangements in place by which the public may obtain access to Australian Standards. Full and updated details may be obtained from SAI Global Limited. These arrangements include the following:
- a. Certain Australian Standards are made available to the public online, at no charge to the public, as a result of a licence fee having been met by the Commonwealth of Australia;
  - b. Certain Australian Standards are made available to the public online through SAI Global at no charge whatsoever;
  - c. All other current Australian Standards are made available to the public for a fee, in a range of hard copy and digital (online) formats, through SAI Global's online shop known as Infostore (<http://infostore.saiglobal.com/store/>); and
  - d. Australian Standards are also available for viewing in certain local, state and TAFE libraries.

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<sup>1</sup> Productivity Commission *Standards Setting and Laboratory Accreditation* 2006 Research Report p129

<sup>2</sup> Such discussions may be facilitated by Standards Australia.

***Whether amendments to legislation are required to improve public access to adopted Australian Standards; and other measures to improve public access to adopted Australian Standards***

22. Standards Australia submits that the WA government could consider the following options at the time of developing or reviewing regulation:
- a. Reference a third-party specification or standard which is available in the Australian market, and also consider increasing public access through licensing arrangements;
  - b. Develop a specification within government and then make that document available at no cost to the end-user;
  - c. Develop performance-based regulation that allows technical specifications to be used in a non-prescriptive manner;
  - d. Include technical specifications in regulation so there is no need to reference a third-party specification or standard.
23. With regard to option (a) in Paragraph 22, the WA government could consider a licencing arrangement with SAI Global to make Australian Standards available for free view-only access in all metropolitan and regional libraries in Western Australia.
24. Standards Australia submits that amendments to legislation are not required to improve public access to adopted Australian Standards because the Western Australian government can make use of the applicable options listed in Paragraph 22 (a) to (d) above. In the event that the option in Paragraph 22 (a) is the most appropriate, this can be coupled with the access approach set out in Paragraph 23 above.

**Contact**

Standards Australia welcomes the opportunity to discuss this submission with the Committee. In the event that the Committee decides to hold hearings, Standards Australia wishes to appear before the Committee.

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