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Standards Australia's Submission in Response to the Ministerial Council on Energy, Energy Technical and Safety Leaders Group's *Draft Energy Technical and Safety Harmonisation Enhancement Plan*

Standards Australia welcomes the opportunity to comment on the ***Draft Energy Technical and Safety Harmonisation Enhancement Plan***. A key purpose of this submission is to comment on the proposed development of an Australian Standard® for an Energy Network Safety Scheme and clarify Standards Australia's standards development processes and options for stakeholder engagement.

The brief comments below address the following questions posed in the Draft Plan.

The Leaders Group seeks stakeholder views on the proposed regulatory architecture and the various legislative instruments and standards. Stakeholders are also requested to consider and comment on the requirements for legislation and the creation of a new national Australian Standard for an Energy Network Safety Scheme.

The Leaders Group seeks views on the Draft Plan's two options on referencing of mandatory requirements. Stakeholder views are also sought on the proposal to task the Policy Committee to develop criteria to guide:

- what standards and mandatory requirements need to be developed; and*
- the referencing of standards or other normative documents as mandatory standards or "deemed to satisfy"*

Standards Australia notes stakeholder support for the development of an Australian Standard® above other forms of standards, such as industry codes and international standards to be developed under the Leaders Group Review.

It is our understanding that the proposed regulatory framework would mandate the current performance based standards AS 2885 *Pipelines—Gas and liquid*

petroleum and AS 4645 *Gas distribution networks* and a yet to be developed Australian Standard® for the Energy Network Safety Scheme (ENSS).

It is intended that the Australian Standard® for ENSS will also be a performance based document, where flexibility is preserved in the application of safe work solutions to maintain worker and community safety standards.

Standards Australia notes stakeholders have submitted differing view points with respect to mandatory prescriptive requirements to be included in legislation or referenced in standards.

Standards Australia does not have a particular view on whether prescriptive standards should be mandated in legislation. This is a matter for government, taking account of the risk attached to the activities being regulated.

Australian Standards can be useful tools under any system or framework.

Performance based standards are a workable approach as it gives responsibility to industry to select their own preferred solutions for complying with the broad aims of the regulation (i.e. to ensure safety).

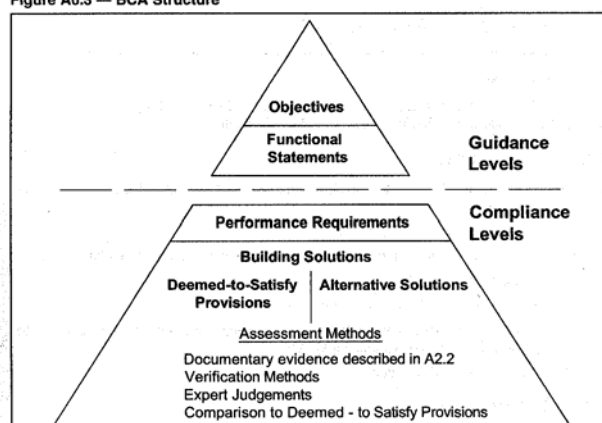
On the other hand, in certain industries, and in particular where small businesses operate, there is generally a preference for certainty and detailed steps to ensure compliance under prescriptive requirements.

The Building Code of Australia (BCA) successfully addresses both approaches. The BCA is performance-based and it has “deemed-to-satisfy” provisions covering materials, components, design factors, and construction methods which, if they are used, will result in compliance with the performance requirements of the BCA.

Compliance with the BCA’s performance requirements can also be achieved by formulating alternative solutions that must meet specific assessment methods. The assessment methods are used to determine compliance with the Performance Requirements have been satisfied.

Below is an extract of the BCA’s structure (BCA, 2007, Volume 1, page 16)

Figure A0.3 — BCA Structure



An Australian Standard® can be a useful tool under any framework, by providing performance based, prescriptive and/or guidance provisions to support a regulatory environment and the safety and reliability for workers and the Australian community.

It is important to note, however, that the decision as to whether an Australian Standard® will become mandatory and given regulatory effect should be indicated at the commencement of the standard development process in order to ensure alignment with regulatory arrangements managed by Commonwealth, State and Territory government bodies.

Comment is sought on which pathway would be most appropriate for the development of the ENSS standard and what representation should be held on the body to develop the standard.

As addressed in the Draft Plan, Standards Australia introduced a New Business Model in late 2008. The New Business Model was implemented to enhance Standards Australia's capabilities and efficiencies ensuring our organisation remains relevant and adequately addresses Australia's standardisation needs.

The New Business Model introduced:

- ✓ A transparent and rigorous system to prioritise projects based on the Net Benefit they will deliver to the Australian economy and community;
- ✓ Competition and choice for stakeholders in how they develop Australian Standards;
- ✓ Technologies and processes to re-engineer the way we develop Australian Standards to make the process as efficient as possible.

Standardisation is a robust and rigorous process that follows an internationally recognised and detailed due diligence procedure. Consensus documents that are created by this process and that are consequently recognised as national or international standards are powerful documents in protecting consumers and in boosting innovation, productivity and competition.

Due to the rigorous process that define them and the finite resources available to Standards Australia to produce them, standards take time to develop. The process of consensus can be protracted. On average, standards take between 18 months to 3 years to publish from commencement of project.

However, in view of fast paced and ever changing settings Standards address, Standards Australia recognises the need to keep pace with community and public policy needs.

Under a contractual funded agreement, Standards Australia can provide full operational support for the life of projects, delivered by experienced and qualified Project Managers under defined timeframes.

Through the provision of funding and the allocation of dedicated resources, an Australian Standard® can now be developed in an extremely short timeframe of approximately 6-9 months, subject to consensus being achieved.

Whilst the option of an accelerated standards development process is available to stakeholders, the requirements underpinning the strength, value and robustness of an Australian Standard® must be satisfied. Such requirements are:

- Transparency
- Balance of interests
- Rigour, and
- Consensus

Standards Australia currently has a number of funded contractual relationships for the accelerated delivery of projects which include:

- Department of Health and Ageing (DoHA) – Health Informatics (IT14);
- Department of Environment, Water, Heritage and the Arts (DEWHA) – Energy efficiency standards;
- The South Australian Government – Environmental Protection Authority (EPA) – Greywater treatment for river vessels;
- Centrelink – Lightweight Authentication of Identity (PLAID);
- Attorney-General's Department - Design for access and mobility. Part 1: General requirements for access - New building work (AS 1428.1); and
- National Environment Protection Council (NEPC) – Australian Standard® for Acoustics - measurement, prediction and assessment of noise from wind turbine generators

Standards Australia understands the Draft Plan seeks stakeholder feedback on the choice of Pathway for the development of an Australian Standard® for Energy Network Safety Scheme.

It must be noted that in late June 2009 Standards Australia announced the accelerated implementation of the New Business Model. Following feedback from stakeholders, in particular relating to changes to funding arrangements, Standards Australia is considering alternative approaches to the New Business Model implementation.

Whilst it is likely modifications will take place, returning to the old way of doing business is not realistic. Standards Australia will be holding meetings with key stakeholders in October and November 2009 to discuss potential changes, including the future of Standards Australia Driven and Committee Driven Pathways.

It needs to be highlighted, however, that the Collaborative Pathway will remain a viable option for stakeholders' requiring full operational support from Standards Australia and the accelerated timeframe for standards development.

Standards Australia would be pleased to assist the Leaders Group in the development of a tailored solution for the development of an Australian Standard® for Energy Network Safety Scheme and related documents, reflecting the service provision requirements of stakeholders, with agreed deliverables and timeframes.

Should the preferred option for the framework be the Accreditation of an established organisation as a Standards Development Organisation (SDO), Standards Australia would encourage and facilitate the liaison process with the Accreditation Board for Standards Development Organisations (ABSDO).

With respect to the constitution of the Technical Committee tasked with the responsibility for developing an Australian Standard® for Energy Networks Safety Scheme, the SDO must ensure compliance with ABSDO's "Balance of Representation" requirement.

Under such requirement, Standards Australia or an accredited SDO must make every effort to ensure that all major stakeholder interests relevant to the standard are fairly represented.

It must be noted that:

- ✓ No one interest may have disproportionate representation or exercise undue influence.
- ✓ No relevant interest group with a bona fide desire to participate may be excluded from the Committee.
- ✓ Credible attempts must be made to involve significant interests and, as far as reasonably practicable, to achieve meaningful engagement.

Generally, each technical committee has a balance of the main divisions of Standards users. As a guide, these may include, but are not limited to the following:

- Consumers and community interests;
- Employer representative bodies;
- Government organisations;
- Industry, professional and technical associations;
- Manufacturers, importers and suppliers;
- Regulatory and controlling bodies;
- Research and academic organisations;
- Testing bodies;
- Unions and employees; and
- User and purchasing bodies.

Approval of Committees' constitution rests with the Standards Development Organisation. However, upon proposal of a new standards development project, stakeholders are required to provide evidence of broad stakeholder support.

Conclusion

Through our commitment to stringent net benefit assessment and our unbiased, transparent and consensus based standards development process, Standards Australia can assist the Leaders Group to achieve the desired harmonisation of Energy technical and Safety requirements for the energy supply industry.

Standards Australia would welcome increased engagement with the Leaders Group and Ministerial Council on Energy to discuss the optimum way forward for the development of an Australian Standard® for an Energy Networks Safety Scheme and its related standards.

Should you have any questions or would like to discuss any aspect of this response, please do not hesitate to contact me on kareen.rileytakos@standards.org.au or (02) 9237 6047.

Yours faithfully

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