Standards Australia's Submission to the Senate inquiry into the future of Australia's Steel Industry

## Introduction

Standards Australia welcomes the opportunity to provide a submission to the Senate inquiry into the future of Australia's Steel Industry.

Our response to the terms of reference is limited to matters of relevance to us:

- As Australia's peak standards development body;
- As the Australian member of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

## About Standards Australia

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 are recognised by the Commonwealth as Australia's peak non-government standards development body through a Memorandum of Understanding.

We are not a regulator, nor have any regulatory powers. Australian Standards are developed and adopted through a process of consensus and broad stakeholder consultation. Standards Australia provides a forum where all stakeholders with an interest in a particular area can come together and develop technical standards and other documents.

All project work undertaken by us must demonstrate broad support and deliver a net benefit to the Australian community. Standards Australia is not an agency of government and does not set policy.

## Our role in the steel sector

Technical standards are critical to the operation of the steel sector in Australia, as they are around the world. Standards Australia has a long history of development work in this area and we have a significant body of project work presently being undertaken.

A significant proportion of Standards Australia resourced projects have been dedicated to the development of Australian Standards and other publications in recent years set out in Appendix A.

Standards Australia continues to resource projects aligned with the roadmap developed by the steel sector set out in Appendix B.

## Where does Standards Australia fit within the broader technical infrastructure framework?

The work that we do is part of a broader national and international framework of standards and conformance.

Diagram 1 sets out the broad conformance infrastructure in Australia.

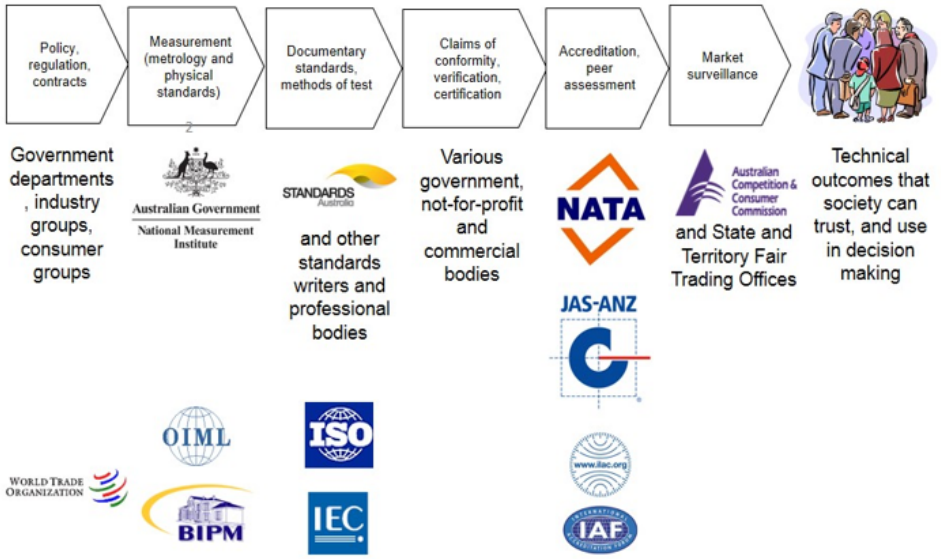


*Diagram 1: Conformance Infrastructure*

## Our standards development process

Our standards development process is based on the key principles of **consensus and transparency**. Consensus is defined by the joint ISO and IEC guide as:

*"General agreement, characterised by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments."*

ISO/IEC Guide 2, Standardization and related activities — General vocabulary

Standards Australia maintains a set of rules in relation to the development of Australian Standards from the commencement of our project proposal process through to the publication stage. Our Standardisation Guides also set out how Australian Standards should be developed for regulatory use and are available on our website, and are attached to this submission.

Standards Australia facilitates the development of consensus based documents, using the principles outlined above, through a technical committee process. Our committees are comprised of experts, nominated by organisations from industry, government and the community. Nominating organisations are invited to participate by Standards Australia when it constitutes balanced technical committees.

Standards Australia has expertise in the facilitation of standards development projects and can supply methodologies for the resolution of conflicts where that may arise.

However, Standards Australia does not provide technical input to the development of Standards nor is it able to adjudicate on matters of technical disagreement within a committee. For this, we rely on our process.

We have well defined procedures in place to ensure that the overarching principles described above are maintained, that its drafting rules and guidelines are followed and that Australia's obligations under the World Trade Organisations Technical Barriers to Trade Agreement are supported.

## Role of a Standards Australia Technical Committee

Technical Committees are the foundation of our standards development process and consist of individuals who are nominated by organisations that represent the views and notions of large groups of affected parties.

The role of our technical committees is set out in our Standardisation Guide *SG-002 Structure and Operation of Standardisation Committees.* SG-004 *Roles and Responsibilities in Standardisation* sets out the roles of others in the development process including Standards Australia staff, nominating organisations and the standards development governance roles.

Members of a technical committee must sign a Committee Member Deed and abide by a Code of Conduct which obligates them to:

- Declare all interests
- Represent Nominating Organisations
- Participate actively and respectfully
- Strive for consensus
- Be responsible for issue resolution

Sometimes, matters that arise through our development process need to be escalated through our governance structures. The final point of process resolution through Standards Australia is provided by the Standards Development and Accreditation Committee (SDAC) when the technical committee is unable to resolve disputes that prevent effective Standards development.

We have attached the Charter of the Standards Australia Standards Development and Accreditation Committee to this submission.

## Recent Challenges in the steel sector

Changes to supply chains and other matters in the sector has caused industry to look at how technical standards are developed and applied.

One challenge that has been faced by those participating in our process has been with respect to the inclusion of mineral additions in steel, in particular the inclusion of boron.

Our technical committees relevant to this area have been working through these issues across a range of different standards and specifications.

In 2015 Standards Australia also had to remedy a breach of process which resulted in changes to Standards concerning the steel sector.

### *Welding standards development*

In 2014, Standards Australia published new editions within the AS/NZS 1554 Structural Steel Welding series of standards that are managed by committee WD-003. These are:

- AS/NZS 1554.1:2014 Structural Steel Welding, Part 1: Welding of steel structures
- AS/NZS 1554.5:2014 Structural Steel Welding, Part 5: Welding of steel structures subject to high levels of fatigue loading
- AS/NZS 1554.7:2014 Structural Steel Welding, Part 7: Welding of sheet steel structures

A critical step in Standards Australia's processes is our period of public comment. This requirement is to ensure members of the public can have input into the standards development process. This is also a requirement under the World Trade Organisation Technical Barriers to Trade Agreement.

The development of the AS/NZS 1554 series progressed through the standards development process including through a period of public comment, however, subsequent to the public comment process, and without additional exposure of the draft to members of the public additional requirements were added to Parts 1,5 and 7 of the AS/NZS 1554 series. These additional requirements exclude steel containing boron in excess of 0.0008% from 'pre-qualification' in accordance with the terms of the Australian Standards. Steel deemed 'non pre-qualified' is subject to a range of further measures in accordance with the Australian Standards.

This constituted a breach of the Standards Australia process and steps were taken to refer the issue to Standards Australia's Standards Development and Accreditation Committee, a sub-committee of our board comprised of independent representatives of government, industry and community interests.

The decision of the Standards Development and Accreditation Committee was that Standards Australia issue a Correction Amendment to remove the provisions which were not subject to the public comment period. In effect, the process undertaken by Standards Australia was akin to a product recall.

At the time of the decision Standards Australia:

- Issued a public statement on the issue (attached as Appendix C);
- Discussed the issue and options for future work with all stakeholders;
- Committed to working with the sector to continue to develop specifications in the area as a matter of priority.

### *Structural steel standards development*

The issue with respect to boron in steel has also been one that has been a focus of Standards Australia's BD-023 *Structural steel* technical committee.

In 2012 Standards Australia commenced a work program to revise a number of key standards for structural steel. The issue of boron inclusion in steel had been a major focus of the technical committee's work.

Committee disagreement through a voting process in 2015 saw a resolution meeting called. Agreement among stakeholders was reached on all but one document with respect to AS/NZS 1163 *Cold-formed structural steel hollow sections,* leading to this issue being escalated to the Standards Development and Accreditation Committee.

The decision of the Standards Development and Accreditation Committee was that AS/NZS 1163 should be published to require the reporting of boron in steel but not prohibit the intentional addition of boron in steel.

Standards Australia communicated this by way of public statement.

### *Development of Australian Technical Specifications*

Throughout this period, Standards Australia has acknowledged the objectives and perspectives of different interests in the steel sector.

Standards Australia confirmed a strong commitment to working with the sector as to manage the issues at hand.

Standards Australia provided options to the sector in relation to dealing with the issues in the short and longer term in ways consistent with Standards Australia's processes.

The options that Standards Australia had with respect to further work as set out in our Standardisation Guides were as set out in Table 1 of our Standardisation Guide SG-003 *Standards and other publications* (extracted in part overleaf):

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**Table 1—Standardisation process for various Standards Australia product types**

| PROCESS REQUIREMENTS (see Note 1) | | | | |
|---|---|---|---|---|
| **Product Type** | **Transparency** | **Consensus** | **SDAC Approval** | **Comments** |
| Australian Standard (AS) | High – Public Comment (PC) is required | High – Ballot is required | Yes | See Note 3 |
| Australian Interim Standard (AS (Int)) | Medium – Peer Review only (PC not required) | High – Ballot is required | Yes | 2 + 2 year life maximum |
| Australian Technical Specification (SA TS) | Medium – Peer Review only (PC is optional) | Low – Limited peer review | Info only | Used if full Standard cannot be prepared within time constraints |
| Australian Technical Report (SA TR) | Low – No PC required | Low – Informal endorsement[4] is required | Info only | May include publication of research data. See Note 4 |
| Handbook (SA HB) | AS only: Medium – Peer Review only (PC not required) | Low – Limited peer review | Info only | If the topic is related to a TC the TC is to be part of the peer review group |

Standards Australia suggested that the development of *Australian Technical Specifications* to supplement the published Australian Standards might be of benefit to those in the sector who were seeking additional requirements on the inclusion of boron in steel.

Project Proposals were formally received by Standards Australia on this issue in December 2015 and at the time of this submission, development work has almost concluded.

A further supplementary submission will be provided to the Inquiry once this work concludes.

## Supporting Australia's steel industry

Standards Australia welcomes the opportunity to continue to work with the steel sector in developing Australian Standards and other documents.

We believe that we have a role to play in assisting the sector with the strategic planning of standards development work, and in maintaining a strong dialogue with the sector as to issues and priorities.

Through our national sector management team and our executive leadership group, Standards Australia has sought to maintain a dialogue with the sector on matters related to standards development and in seeking ways whereby our process could continue to help the steel sector manage its technical requirements.

This commitment from us is strong.

We would welcome to discuss any aspect of his submission with the Committee.