

Government Response to the Eighth Report of the Joint Standing Committee on Treaties

In this Report, the Committee considers eight proposed treaty actions: a new bilateral Agreement and an annual subsidiary bilateral Agreement, tabled on 18 March 1997; and four new bilateral Agreements, a replacement bilateral Agreement, and a multilateral Convention, tabled on 13 May 1997.

The Report contains only one formal recommendation with regard to the Agreement between Australia and New Zealand concerning the establishment of the Governing Board, Technical Advisory Council and Accreditation Review Board of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ). The recommendation at paragraph 3.45 of the Report is as follows:

The Joint Standing Committee on Treaties recommends that: The new Governing Board of JAS-ANZ establish a formal mechanism to evaluate the success of its aim to facilitate export enhancement.

The Government accepts the thrust of the recommendation but notes that the issue of evaluation has already substantially been dealt with by the arrangements put in place by the new Agreement. The Agreement contains provisions relating to performance monitoring, reporting and accountability which the Government considers provide effective means for review of JAS-ANZ's performance against its objectives by the JAS-ANZ Governing Board and by both Governments.

The operations of JAS-ANZ are not formally subject to Parliamentary scrutiny. However, Parliament has the capacity to scrutinise the performance of the relevant Australian Minister in relation to JAS-ANZ, as well as the performance of the relevant Department responsible for the implementation of the Agreement.

The Agreement provides for the establishment of a Governing Board which, *inter alia*, shall deliver to the Australian Minister and the New Zealand Minister no later than the end of May each year an annual statement of corporate intent covering the forthcoming fiscal year and the two following years. This information shall include the performance targets and other measures by which the performance of the Joint Accreditation System of Australia and New Zealand may be judged in relation to its objectives.

The new Agreement also provides that the Governing Board will furnish to both Ministers, within three months of the end of each financial year, its audited financial statements and a report which addresses, *inter alia*, progress in and performance of its key activities. The new Agreement requires that the report of JAS-ANZ's operations, its audited financial statements and the auditor's report on those financial statements shall contain such information as is necessary to enable an informed assessment of the operations of JAS-ANZ, including comparison of the performance with the relevant statement of corporate intent.

The JAS-ANZ was established to facilitate commerce specifically by maintaining an accreditation system that would give users and trading partners confidence that Australian and New Zealand goods and services certified by accredited bodies met established standards; establishing links with relevant bodies whose function is to establish or recognise standards in relation to goods and services, including conformity assessment; and obtaining mutual recognition and acceptance of conformity assessment with relevant bodies in other countries.

The Agreement requires the Governing Board to establish performance targets and measures for assessing JAS-ANZ's performance against these objectives. A good measure of JAS-ANZ's performance is market demand for JAS-ANZ. The costs of JAS-ANZ's operations are borne by those organisations seeking accreditation. Those organisations in turn recover charges from clients who seek certification for their operations, goods and services. Given the costs involved, the demand for accreditation is an effective barometer of the value put on it in the market place by private sector certifiers of goods and services and exporters who seek to use certifiers' services.

Any external review beyond those already established under the Agreement's provisions would be costly and time-consuming, and beyond the capabilities and financial resources of JAS-ANZ under its present cost structure. The prices charged by JAS-ANZ for those seeking accreditation would almost certainly have to be increased if such a review were to be undertaken.