



20 September 2018

Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: ExternalConductStandards@treasury.gov.au

1. This is a submission prepared by Standards Australia Limited (**Standards Australia**) to Australian Government - the Treasury in response to the Treasury's consultation on External Conduct Standards (**ESC**) for charities registered with the Australian Charities and Not-for-profits Commission (**ACNC**). Standards Australia appreciates the opportunity to make a submission to the Treasury on the application of the proposed ECS.

Background

2. Standards Australia is a not-for-profit company limited by guarantee and a charity registered with the ACNC. It is recognised by the Commonwealth government as the peak non-government standards development body in Australia. Standards Australia develops Australian Standard® brand standards and a range of other publications (such as Handbooks, Commentaries, Australian Technical Specifications, Rulings and Miscellaneous Publications).
3. Standards Australia also acts as Australia's representative to the International Organization for Standardization (**ISO**), the International Electrotechnical Commission (IEC). As a founding member of the Pacific Area Standards Congress (PASC), we also closely cooperate with the government in the standards and conformance activities of Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN-CER).
4. Standards make an important contribution to society including by:
 - facilitating market exchange;
 - facilitating international trade, transport, communication and innovation; and
 - providing consumers with greater certainty about the safety and quality of products.
5. The World Trade Organization Agreement on Technical Barriers to Trade (**WTO TBT**) requires members use international standards (or the relevant parts of them) as a basis for their technical regulations, where they can. WTO TBT also requires that members use international standards as a basis for national standard development wherever appropriate. Participation in the global market requires compliance with International

Standards. Wherever possible, Standards Australia will adopt international standards. If there are no existing or relevant international or regional standards, national standards may be developed.

6. Standards are also used by governments to address concerns about social issues and the environment. It is important, therefore, that standards development organisations be supported in their efforts to operate in a sustainable manner, to enable them to continue to undertake this valuable work in the national interest.
7. Standards Australia receives funding from the Commonwealth government to support Standards Australia's international work and also receives funding from government and from industry to support the development of standards in particular areas.

Submission

8. A significant proportion of Standards Australia's international activities involves working with other National Standards Bodies in the development of consensus based international standards, as is noted above. We are responsible for coordinating the attendance and participation of Australian experts at international technical meetings for the development of international standards and associated governance activities. As such, we facilitate the Australian participation in the preparation of a wide range of international standards.
9. Standards Australia also performs some Aid-for-Trade focused work (such as the Indo-Pacific Digital Trade Standardisation Initiative), which reflects a much smaller proportion of Standards Australia's overall international work. This capacity building and technical assistance work is always governed by specific contractual arrangements with the relevant government department.
10. The primary rationale behind the development of the ECS appears to be directed at entities that provide development assistance and humanitarian need outside Australia. Standards Australia recognises there may be a need for improved governance and transparency over the provision of such services in certain circumstances.
11. However, the current drafting of the proposed regulations appears to extend beyond such services. It appears that the application of each draft ECS is triggered by a charity working outside Australia or with third parties that are operating outside Australia, regardless of the nature of the activity.
12. As such, the application of the ECS as is currently drafted in the proposed Regulations is overly broad and may impose regulation on activities that do not require it. By way of example, the current drafting of the proposed Regulations would require Standards Australia to adhere to the ECS in the conduct of its international standardization activities, such as attendance at an ISO technical and governance committee meetings for the development of an ISO standard. The ECS do not readily apply to such activities nor would they in Standards Australia's submission help to improve the governance or public trust in the conduct of such activities. The ECS would thereby create undue burden on Standards Australia in seeking to comply with them in respect of such activities.

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13. Standards Australia respectfully submits that the application of the ECS should be more clearly expressed and specifically limited to those activities conducted by a charity outside of Australia that relate to development assistance and humanitarian need.

Yours sincerely



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