

## NATIONAL OFFICE

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Driving business success for consulting firms in the built and natural environment

29 July 2019

Standards Australia  
[distribution@standards.org.au](mailto:distribution@standards.org.au)

Whom it may concern,

### **Standards Australia's consultation on distribution and licensing – submission**

I write on behalf of Consult Australia regarding Standards Australia's current consultation on its *Distribution and Licensing Policy Discussion Paper*. We welcome the opportunity to contribute, with this letter outlining our response to relevant question in the discussion paper.

For background, Consult Australia is the industry association that represents the business interests of firms who provide design, advisory and engineering services for the built and natural environment. Our industry is employs over 240,000 people and generates a combined revenue of over \$40 billion per year.

#### ***Broad principles underpinning a distribution and licensing framework***

##### Question A: Do you agree with Standards Australia's broad objectives?

Consult Australia supports the broad objectives of Standards Australia's distribution and licensing framework of greater reach for content, greater awareness and use of standards, and a financially sustainable long-term operating model.

We also note that these broad objectives for Standard Australia's distribution and licensing framework will also likely assist in other focus areas of the organisation such as the standards development process.

#### ***The means by which Standards Australia intends to achieve its objectives***

##### Question C: Do you support a non-exclusive model for the distribution of standards content in Australia?

Consult Australia supports a non-exclusive model for the distribution of standards content in Australia if it can increase access and provide a better price point for end users. However, we do believe distribution outcomes are more important than distribution arrangements, and we take the view that effective distribution outcomes can be delivered through either an exclusive or non-exclusive model.

We accept that competition and a contestability approach can deliver a number of benefits to how standards content is distributed in Australia by either decreasing costs or increasing the value of the product for end users. However, any distribution arrangements organised by Standards Australia will need to be underpinned by appropriate conditions and protections for the interests of end users. This is because any distribution model will have some constraints preventing the creation of a truly open and competitive market, and in recognition of the public value of standards.

Lastly, it is worth noting that the appetite of commercial partners can sometimes decrease when there is a non-exclusive distribution model as these arrangements may dilute perceived value. We therefore encourage Standards Australia to confirm if particular non-exclusive distribution arrangements do indeed provide a financially sustainable long-term operating model, both over the short- and longer-term, before deciding on a preferred option.

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### *Partnering to distribute current products*

#### Question D: What criteria do you think should be applied to the selection of distribution partners?

We agree that access to potential customers and a potential distribution partner's standing in the market are key criteria that should be applied to the selection of distribution partners. We also encourage Standards Australia to consider including the diversity of distribution partners as a criterion and to consider public/end user benefits.

We somewhat disagree with the discussion paper's point that a heavily limited number of distributors would not encourage customer service, innovation or reach, and furthermore if the opposite can be assumed. While competition can achieve these outcomes in the right circumstances, we believe the onus is on Standards Australia to put in place the conditions on distribution partners that instead leads to these outcomes – and this does not rely on a model with many or a limited number of distributors. Our concern here aligns to the earlier point that distribution models will always have some competition constraints, which makes it an assumption that more distributors will lead to better value or reduced costs for Standards Australia or end users.

#### Question E: How can Standards Australia encourage competition in the distribution of current standards products?

Following on from our earlier point on Standards Australia putting in place distribution conditions that lead to competitive outcomes, we believe performance or outcomes-based incentives are two examples of how competition can be encouraged in the distribution of current standards products.

We also encourage Standards Australia to consider investigating if a contestability approach can help achieve these desired competitive outcomes. To this end, the Commonwealth Department of Finance's previous Contestability Framework may assist Standards Australia in determining how they can encourage competition of the current standards products when day-to-day competitive arrangements are not possible. Deloitte have also released a report on the topic that may be of use.<sup>1</sup>

### *Facilitating economical access*

#### **Regulated Standards**

#### Question L: How can Regulated Standards be made more accessible to the end user while maintaining the financial sustainability of the standards ecosystem?

We believe Regulated Standards, and other standards, being made more accessible to end users should be a key focus of Standards Australia's distribution and licensing review.

It is important to note that many standards, particularly Regulated Standards, are viewed as a public good. In light of recent activities such as the public safety mandate from the recent *Building confidence* report,<sup>2</sup> we believe providing free access to standards to all or some stakeholders should be considered by Standards Australia.

Standards Australia members and nominating organisations (and their member firms) are one example of a stakeholder that could benefit from having free access to standards. This recognises their role and

<sup>1</sup> Deloitte, [A new era in service delivery reform](#)

<sup>2</sup> Peter Shergold and Bronwyn Weir, [Building confidence: Improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia \(2018\)](#)

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intellectual input in the standards development process. Furthermore, providing free access to these stakeholders may assist Standards Australia in improving engagement from representatives and organisations on the standards development process too.

**Access for core user groups at early stages of a career**

Question M: How can access beyond existing channels be made easier for user groups like TAFE and university students?

We agree with Standards Australia's point that it is likely that a very low proportion of junior trades people, apprentices, students or early career professionals have access to the standards which they would benefit from. We welcome Standards Australia's commitment to consider providing discounts for online access for specific early career or lower income users. We encourage Standards Australia to also consider industry associations to manage the distribution of codes for early career professionals.

Following on from our above point on perception of standards as a public good, we encourage Standards Australia to also consider offering standards for free to this cohort. It is likely that reduced costs may not increase access to standards for this cohort for those in a circumstance where they are expected to pay out of their own pocket for access.

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Consult Australia thanks Standards Australia for the opportunity to provide a submission. If you would like to discuss this submission further, please contact James Robertson (Policy Advisor) at on 0448 853 144 or at [james@consultaaustralia.com.au](mailto:james@consultaaustralia.com.au).

Yours sincerely,

**Nicola Grayson**  
Chief Executive  
Consult Australia

