



3 August 2015

Our Ref: 15/540

Dr Kathleen Dermody
Committee Secretary
Senate Economic References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Dr Dermody

Thank you for your letter of 1 July 2015 to Dr Larry Marshall inviting CSIRO to make a submission to the Senate Economic References Committee's Inquiry into non-conforming building products. Dr Marshall has asked that I respond on his behalf.

As Australia's national science agency, CSIRO has a longstanding involvement with building research and technology. To support Australia's mitigation of non-conforming building products, CSIRO provides testing and certification services to industry, alleviating unintended use of non-conforming products, and scientific advice to regulators and enforcement agencies, assisting with effective control of the supply chain.

This submission seeks to respond to part 'c' of the Inquiry's terms of reference. It focuses on CSIRO's activities in evaluation and certification of building products and the organisation's role in Australia's current standard setting and conformance infrastructure.

Independent Verification and Assessment Systems (Term of reference - c ii)

CSIRO believes a robust, independent, Australian based testing and certification environment to be an important factor in addressing the issue of non-conforming products.

Reliance on international testing (laboratories in other countries) can provide independent product assessment, with international accreditation programs providing oversight of laboratory performance. However, reliance on overseas laboratories presents two challenges. Firstly, testing in other regulatory jurisdictions may not account for subtleties or specifics in Australian regulation and building environment. Secondly, reliance on international testing will not develop and support a knowledge base of Australian expertise, resulting in future regulatory development and standard setting operating in an information vacuum. By way of example, CSIRO provides its expertise, generated through the provision of building product testing and certification services, to 60 technical and advisory committees in the sector.

CSIRO believes that a vibrant commercial laboratory infrastructure can successfully provide independent assessments and testing necessary to address product non-conformance. Formal recognition processes, such as those provided by the National Association of Testing Authorities (NATA), provide both oversight and auditing of laboratory performance, delivering commercial testing trusted by all stakeholder groups. However, evaluation of product conformance can require a wide scope of testing, which can be unprofitable for commercial laboratories to offer on products with low demand. As an example, Australia's smoke alarm standard requires application of over 20 separate tests for each product, many requiring specialised equipment.

Surveillance and Screening of Imported Building Products (Term of reference - c iii)

CSIRO is supportive of the Inquiry's scope to include surveillance and screening of building products. Demonstrating impact, the organisation's ActivFire certification scheme provides services to industry for independent testing of each manufactured batch or imported shipment of fire detectors. Over 30 years of operation, this surveillance scheme has identified multiple manufacturing issues, allowing rectification prior to Australian distribution and installation.

CSIRO believes product surveillance and screening should not be restricted to imported products, but applied regardless of manufactured source. Success with the ActivFire scheme identifies industry benefits from surveillance testing, which are best realised when applied across all market participants.

Non-conformance presents a range of risk profiles depending on the type of building product. This may be the risk to occupants, such as structural and fire safety, or financial risk and costs of rectification. These risk profiles are unrelated to product cost, with low value building products potentially causing catastrophic outcomes. The level of surveillance and screening applied should be relevant to established risk profiles.

Many building products and materials can be difficult to identify once removed from their packaging and installed, with thermal insulation materials an example. In instances where identification is difficult, surveillance, screening and inspection programs should be supported by product testing to verify key performance aspects and identify potential product substitutions.

Conclusions

CSIRO believes that improvements to the current regulatory and conformance regimes should be supported by an Australian based, independent, and commercially sustainable, laboratory testing and product certification infrastructure. Development of this national infrastructure should form a key part of the action planning to address non-conforming products.

CSIRO sees value in the application of expertise and knowledge generated through Australian laboratory testing and certification to the regulatory development and standard setting process. Application of practical testing experience can support ongoing development of a comprehensive and dynamic regulatory environment for building products.

CSIRO believes that surveillance should not be limited to imported products, but applied to all market participants. Surveillance should be relevant to the risk profile of each product type and supported by physical testing where installed materials are difficult to identify.

CSIRO has longstanding expertise in building product conformity, providing trusted advice to government, industry and the community for over 70 years. In support of the Committee's inquiry, we would be open to the organisation's participation in establishing the scope of this issue and development of solutions.

Yours sincerely

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