

# STATEMENT



8 June 2016

## ARBITRATION PROCEEDINGS REGARDING PLA

### BACKGROUND

For more than 12 months, Standards Australia has been requesting SAI Global to provide information regarding the use of Standards Australia content in accordance with the contract (known as the PLA) between Standards Australia and SAI Global.

Standards Australia has been making these requests firstly because the PLA requires SAI Global to obtain Standards Australia's consent before amending, modifying or revising Australian Standards or other licensed material, and secondly because Standards Australia has a mandate to ensure that Australian Standards are delivered in a way that is fair, equitable and supports our public purpose in adding a net benefit to the Australian community.

SAI Global has persistently refused to provide certain key information which Standards Australia has reasonably sought.

### ARBITRATION PROCEEDINGS COMMENCED

By last Friday, Standards Australia was left with no choice other than to commence proceedings to protect its position in the interests of the Australian community.

Standards Australia does not accept the statement made by SAI Global that SAI Global has the right to change the format or delivery mode of Standards Australia's content without consultation and agreement.

"The decision to start these proceedings was not taken lightly." said Dr Bronwyn Evans.

With regards to the digital delivery of Standards Australia's content Dr Evans said: "There is no question that Australia deserves better, and our plan contemplates better use of contributor time and sets Standards Australia up to deliver the digital, multi-format content needed in the future."

"Standards Australia has a very clear and focused digital strategy. We have been seeking a dialogue with SAI Global regarding the use of our content. SAI Global has taken a position which we can only characterise as 'secretive' and which has caused us the highest degree of concern."

Dr Evans said that the door remains open if SAI Global would like to have a commercial discussion with Standards Australia in accordance with the PLA.

## **ADDITIONAL COMMENTARY BY MR MULLINS**

Regarding Mr Mullins' comments that 'a handsome price' was paid for the distribution rights of Standards Australia's content, Dr Evans said:

"Mr Mullins should remember that Standards Australia divested to SAI Global a certification business, the 'five ticks' Trademark and other valuable assets beyond the PLA rights."

Since the commencement of the PLA, SAI Global has benefited substantially from an exclusive licence and royalty rate and which is set at between 10-15%. "This is a long way from current market rates." said Dr Evans.

Regarding Mr Mullins' comments as to an act of 'bad faith', Dr Evans responded by saying:

"Asserting a legal right to be consulted and to agree in accordance with a contract is not an act of bad faith, quite the contrary. It was a perfectly reasonable request."

ENDS

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