


The logo for STANDARDS Australia features the text "STANDARDS" in a bold, black, sans-serif font above the word "Australia" in a smaller, lighter font. To the right of the text is a stylized graphic consisting of overlapping yellow and green shapes, resembling a leaf or a drop, with several thin, grey, curved lines that suggest motion or a circular path.

**STANDARDS**  
Australia

The logo for L.E.K. consists of the letters "L.E.K." in a white, serif font, centered within a solid dark green square.

L.E.K.

The background of the lower half of the page is a photograph of several wooden puzzle pieces scattered on a light-colored surface. The lighting is warm and golden, creating soft shadows and highlights on the edges of the pieces. The pieces are out of focus, with the foreground pieces being sharper than those in the background.

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Discussion Paper

Distribution and  
Licensing Policy  
Framework

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Submissions accepted until 29 July 2019

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## Introduction

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Standards Australia (SA) has been working to make Australian communities safer, help our economy grow and connect our nation to the world for almost 100 years. SA has recently reached a critical junction.

In December 2018, SA was successful in restoring control over the right to distribute its content. The exclusive distribution rights granted to SAI Global since 2003 have ended with an independent arbitration determining that any extended distribution agreement with SAI Global will be non-exclusive. This gives SA more flexibility to distribute its content, subject to a number of ordinary constraints, including the rights granted to it by third parties.

This is an exciting step towards delivering greater value and improving access to Australian Standards®, while building capability and external partnerships to deliver new methods of distribution to end users.

SA has a once-in-a-generation opportunity to design a distribution model that delivers greater reach, allowing more choice in how content is accessed while supporting its public benefit role in the economy.

This new horizon provides a number of new pathways that need careful consideration to ensure SA's sustainability in the long term as well as invigorating the use of standards in Australian society.

SA is committed to listening to all interested stakeholders in the development of the framework for the new distribution activities. This discussion document is intended to support this dialogue.

## Consultations

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Consultations will be open and take place through June and July 2019.

Darwin	19 June	Melbourne	8 July
Adelaide	26 June	Perth	10 July
Brisbane	2 July	Canberra	12 July
Sydney	5 July	Hobart	17 July

## How to submit responses

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Responses should address questions A through O, as outlined in the following pages.

Submit your response by 29 July 2019, to [distribution@standards.org.au](mailto:distribution@standards.org.au)

## Elements of consultation

### 1. Broad principles underpinning a distribution and licensing framework

SA's Board has spent time with its management team working through a set of principles that would underpin a broadened distribution and licensing model. The aim is to ensure that the needs of stakeholder groups are front of mind, and that its new model is developed in a sustainable way to support every sector of the Australian economy.

To achieve this SA has set three broad objectives, these are to achieve:

- Greater reach for its content, ensuring relevance to those affected by it;
- Greater awareness and use of standards in industry, government and by the broader Australian community; and
- An operating model that ensures the long term financial sustainability.

#### Questions arising

- A. Do you agree with Standards Australia's broad objectives?
- B. Are there other broad objectives that should be considered by SA's Board?

### 2. The means by which SA intends to achieve its objectives

Having come to the end of a 15 year period of exclusive distribution rights, the Board, informed by the views of many different stakeholder groups, has a firm view that distribution and innovation in the delivery of standards content should not rest with a sole party, including SA.

To achieve its objectives, SA intends to operate in a multi-channel, multi-segment model, where a number of different distributors are licensed to distribute SA's content. This is because SA believes that non-exclusive distribution arrangements are in the best interests for the end users of standards. Non-exclusive arrangements are also best practice with international standards distribution.

Practically, this model would see SA partnering with a number of organisations who have the ability to help deliver its content to those who need it, through traditional (hard copy and PDF) products and in new and innovative ways. In this model, SA will also be engaged in direct distribution of its content, including through innovative products.

#### Questions arising

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

### 3. Partnering to distribute current products

In selecting partners, SA will need to assess distributor proposals against a range of dimensions to ensure not only suitability to carry out the role, but also alignment with its vision and strategy.

It will be important for SA to consider a distributor's access to potential customers and also the standing of the distributor within the market. As Australia's peak standards development organisation and national standards body, SA will consider partners who have, or have the capacity to build, an excellent reputation with customers, stakeholders and a proven track record of marketing and delivering high quality material.

Having multiple distributors facilitates customer choice and competition between suppliers is likely to result in enhanced service levels and efficient pricing, serving different segments and markets.

SA's firmly held view is that a heavily limited number of distributors would not encourage customer service, innovation or reach. SA is equally conscious of the administrative and resource burden that flows from a disaggregated model.

SA's position is that standardised commercial terms should be applied to all distributors of its base products. This one-size-fits-all approach will provide a scalable model which will assist with Standards Australia managing multiple distributors in addition to providing potential partners clear criteria on what is required to be a distributor.

#### Questions arising

- D. What criteria do you think should be applied to the selection of distribution partners?
- E. How can SA encourage competition in the distribution of current standards products?

## 4. Encouraging innovation

Beyond SA's well established existing products, opportunities exist for SA to internally develop or partner with third parties in the development of innovative products and sophisticated delivery mechanisms for standards content.

As examples, this might include the integration of standards directly into business workflows or sophisticated digital platforms that allow users to perform more functions, e.g. searching, highlighting and collaborating.

Additionally, opportunities may exist to connect standards content with other technical content or data to provide enhanced customer utility or ingest the content into augmented reality or virtual reality platforms.

This new approach is intended to increase the use of standards in Australia and internationally and empower end users.

It should be noted that whilst there may be significant value for innovative developers, the development of such products involves additional risks associated with moving into unproven ground, ahead of most counterpart standards writers internationally.

On this basis, SA proposes to host an outreach program for potential innovators, to engage with the tech community and parties with digital access to users to generate enthusiasm for innovation.

Criteria will be developed to select innovation partners. The criteria will include the standing of the distributor within the market; reputation, with both customers and content producers; a proven track record of marketing and delivering high quality material; and capability and willingness to share customer data (within legal and privacy constraints) to better help understand the users of standards.

To maintain the reputation and brand of SA's product, licences to reproduce content will require that successful user acceptance testing and quality assurance is undertaken prior to any innovative products developed by SA or third parties being launched.

Should the innovator seek to have a more innovative or different product than that originally agreed, there may be additional quality assurance costs before the product can go to market.

### Questions arising

- F. How do we encourage new innovators to engage with standards content to deliver new solutions and customer offerings?
- G. How do we select innovative partners?
- H. How do we ensure third party developed innovative products are good quality and fit for purpose?
- I. How do we ensure we strike the right balance between facilitating innovation by third parties and maintaining the financial sustainability of Standards Australia?

## 5. Mitigating potential conflicts

In the 1980's and 90's a perception existed amongst key stakeholders that SA's commercial activities were unduly influencing its standards development operations. Since then, many changes to SA's operating model have been put in place including a prioritisation and selection process for standards development work and a net benefit test for all standards development activities.

As we enter a new era, SA will need to deal with a range of new issues associated with the distribution of standards. These include:

- The potential influence distribution sales and customer data may have on the standards development process
- The necessarily confidential way of working in the area of commercial distribution as compared to the transparency required in standards development

SA will continue to deliver on its commitment to net benefit standards development for all sectors in the Australian economy, irrespective of commercial value. The systematic consideration of standards to be updated by committees will continue to use net benefit as **the key** criteria. Commercial returns will not be part of the standards development project selection process.

Appropriate protocols will be put in place for the sharing of sales data with technical committees.

Sales and customer data may be useful in the development of innovative products to understand who is currently using standards and for what purpose to ensure new product formats are correctly targeted.

SA will investigate opportunities to provide user feedback to development committees.

Commercial confidentiality will be maintained where appropriate in commercial partnering for standards distribution.

### Questions arising

- J.** How can SA ensure that distribution activities do not negatively impact its public benefit role in standards development?
- K.** How should SA implement the required commercial confidentiality for distribution arrangements within the context of transparency in the rest of the business?

## 6. Facilitating economical access

Many facets of our daily lives are affected by standards. Standards govern multiple aspects of society, including the buildings in which we live and work and the way that the organisations we depend on function.

It is essential for many in the course of their work that they have access to standards, and many consumers also wish to understand standards more fully.

### 6.1 Regulated Standards

To meet the aim of affordability of standards for those that need access, one area of focus is on standards which are referenced and mandatory for compliance by their inclusion in legislation and regulation (Regulated Standards) .

SA will explore ways for users to more easily access these standards other than the purchase of traditional single user PDF or the existing subscription based model. This must be balanced against recognising and recovering the cost and time of developing and distributing standards in order to maintain financial sustainability.

“Cost Recovery” models for particular categories of documents in other markets have been considered but are not viable for Australia. This is because SA’s revenue is derived from a small number of documents which support the development of the more than 5,000 standards used in Australia and which are vital to our national technical infrastructure.

In the development of the approach to access to Regulated Standards, SA must also be mindful of constraints imposed by upstream licensors for any content licensed from others (e.g. ISO, AS/NZS).

#### Questions arising

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



## 6.2 Access for core user groups at early stages of a career

For some types of users, many factors, including access fees and remote locations, inhibit the uptake of standards.

It is anticipated that a very low proportion of junior trades people, apprentices or students have access to the standards which they would benefit from.

Providing discounts to these potential users may increase penetration, supporting SA's objectives of reach and relevance.

SA is willing to consider providing targeted discounts for online access to standards for specific early career or lower income users. This includes the partnering with bodies who represent groups to manage the distribution of codes (including Member organisations, TAFEs, RTOs etc.)

### Questions arising

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

## 6.3 Providing useful information to consumers regarding Consumer Interest Standards

Members of the public may seek to access information regarding Consumer Interest Standards (e.g. information regarding the standards applicable to baby dummies, cots or buildings).

The information consumers require regarding Consumer Interest Standards may be better presented as an easy to understand explanatory guide, rather than the presentation of technical details required for manufacturers. This type of access avoids making highly technical documents easily available to non-technical people who may not be qualified or able to use the content appropriately.

SA is willing to consider providing appropriate standards content to selected third parties to develop 'plain English' guides to Consumer Interest Standards. The consumer guides would be limited to information useful for consumers as opposed to a manufacturer or tradesperson.

### Questions arising

- N. How can useful information be better provided to the public regarding Consumer Interest Standards?
- O. Do you have a view on what types of partners SA could work with in providing better information to the public regarding Consumer Interest Standards?

## Next steps

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During the course of the consultation regarding the distribution and licensing policy, SA will visit every state and territory (as outlined at the start of the document).

All Members and Councillors will be invited to participate.

Due to the commercial nature of the consultation, submissions will not be made public.

Following the consultation period SA will continue to consider the implications of the policy which will be submitted as a draft for feedback to Members and Councillors in November 2019. SA will then prepare for implementation to ensure it is 'open for business' in January 2020.

If you have any questions or would like to discuss this paper further, please contact:

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## Glossary

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<b>Distribution</b>	The dissemination or delivery of current products
<b>Licensing</b>	The dissemination and authorised use of standards to third parties – for innovative uses
<b>Current Products / distribution methods</b>	Paper handbooks and non-searchable electronic PDFs, includes one-off purchases and subscription model
<b>Innovative Products</b>	Methods of distribution of standards which do not currently exist and may utilise technology to provide standards to users (e.g. an App)
<b>Regulated Standards</b>	Standards that appear in law or regulation
<b>Consumer Interest Standards</b>	Standards with significant consumer interest which refer to consumer items (e.g. baby dummies or building standards) which consumers wish to understand