



STANDARDISATION GUIDE 005:

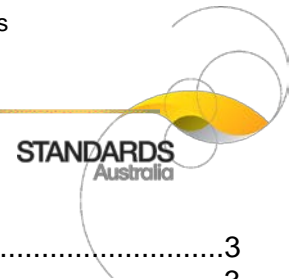
TECHNICAL GOVERNANCE AND ADVISORY STRUCTURES FOR THE STANDARDS DEVELOPMENT PROCESS

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1 INTRODUCTION

1.1 General

This Guide provides the background to and information on the governance of Australia's Standards development activities. Further information on the history and corporate structure of Standards Australia is available at: www.standards.org.au/OurOrganisation/AboutUs/Pages/default.aspx.

1.2 Governance overview

The Constitution and Membership Rules, in conjunction with the Corporations Act, defines the governance structures and operational activities of Standards Australia.

The key features of the Standards Australia governance structure can be summarised as follows:

- The Standards Australia **Members** are drawn from bodies and organisations most involved in the development and utilisation of Standards, and that have an interest in the outcomes of Standards Australia's activities generally. Members are responsible for appointing Councillors to the Standards Australia Council to represent their interests on the Council. Membership is subject to recommendation by the Board, and approval by Council.
- The Standards Australia **Council** comprises the collective of Members' Councillors and is responsible for the general oversight of standardisation in Australia and the governance and operation of Standards Australia. The Council is also responsible for electing and monitoring the Board (of Directors) and monitoring membership of the Members and Council.
- The Standards Australia **Councillors** are appointed by Members to represent their views in Council. Councillors are delegated authority by Members to elect the Directors.
- The **Board** of Standards Australia is responsible for the oversight and effective governance and management of the organisation, including appointing the Chief Executive Officer (CEO) and reviewing and approving the performance and strategic direction of the organisation.
- The Standards Australia **Finance, Risk and Audit Committee** is a committee of the Board and acts as a medium by which the Board, management, investment advisers and auditors will meet, review and advise on matters relating to financial management, risk and compliance.
- The Standards Australia **Remuneration and Nominations Committee** is a committee of the Board and is primarily responsible for assisting the Board in fulfilling its responsibilities.
- The **Standards Development and Accreditation Committee** (SDAC) is a committee of the Board. The SDAC maintains oversight and provides process governance of the development of Australian Standard® brand standards (AS) and joint Australian/New Zealand Standard™ (AS/NZS™) brand standards and related documents by Standards Australia. The SDAC is also responsible for determining the requirements that other Standards Development Organisations (SDOs) must meet in order to be accredited to develop Australian Standard® brand standards and for considering applications from potential SDOs.
- The **Chief Executive Officer** (CEO) is responsible to the Board for the leadership, management and overall performance of Standards Australia. The CEO manages the organisation in accordance with the strategy, mission, vision and operating plans approved by the Board.
- The **Production Management Group** (PMG) is an internal committee of Standards Australia management whose main responsibility is to provide oversight of the development of Australian and joint Australian/New Zealand Standard™ brand standards and related documents, and functions under the authority of the SDAC.
- Standards Australia's **Technical Committees** are responsible for the content of Standards (and related documents), and for maintaining existing Standards within their area of responsibility.



Governance Structure

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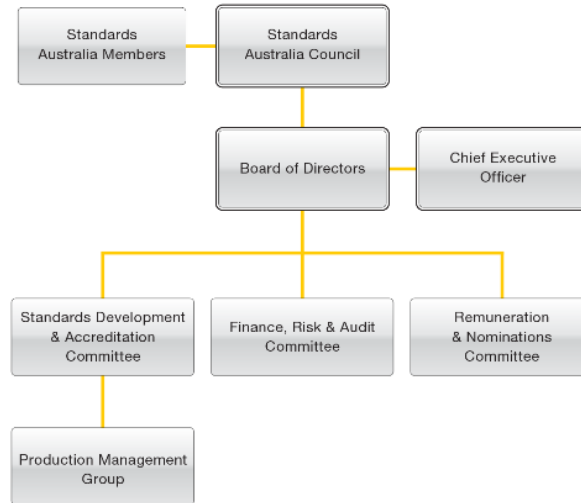


Figure 1: Standards Australia's Standards Development Governance Structure

2 MEMBERS of STANDARDS AUSTRALIA

More than 70 of Australia's leading industry, government and consumer organisations form the Membership of Standards Australia. Standards Australia's Members are drawn from bodies and organisations involved in the development and utilisation of Standards, and that have an interest in the outcomes of Standards Australia's activities generally. They include state and federal governments, professional, trade and industry associations, consumer organisations, trade unions, research organisations and educational establishments. Their common bond is their active participation in the process of preparing Standards, and the promotion of the use of Standards that contribute to Australia's economic productivity, international competitiveness, the community's safety and well-being.

Eligible Membership groupings and the maximum number of Bodies in each grouping are set out in the Constitution and Membership Rules. Membership is subject to recommendation by the Board, and approval by Council.

Members are responsible for appointing Councillors to the Standards Australia Council to represent their interests on the Council. Each Member is also required to nominate a Member Representative to be the primary point of contact for issues relating to an organisation's membership.

NOTE: More information on membership of the Company is described in the Constitution and Membership Rules available from the [Standards Australia website](#). Also refer to 'Standards Australia Members and Councillors Duties and Responsibilities'.

3 STANDARDS AUSTRALIA COUNCIL

The Standards Australia Council is composed of representatives of the Members and is responsible for the general oversight of standardisation in Australia and the governance of Standards Australia. There are also a number of honorary councillors appointed by the Council for their special expertise.

One of the major functions of the Council is to elect the Board of Standards Australia (i.e. the Company's Directors). In addition, the Council's responsibilities include:

- Monitoring the membership of Standards Australia
- Monitoring membership of the Council
- Monitoring the Board of Standards Australia



- Making recommendations to the Board on activities, policies, procedures and operation of Standards Australia, including the performance of committees

For more information regarding the Standards Australia Council and Councillors, refer to the Standards Australia Constitution and Membership Rules – [click here](#) to access this information.

3.1 Standards Australia Councillors

Councillors are appointed by Members for the sole purpose of carrying out acts on behalf of the Member. This is done by representing the Member's views in Council, which independently advises the Board of matters of concern to stakeholders. Under the Constitution, Councillors are delegated authority by Members to elect Directors of Standards Australia.

Members may appoint one (or in some cases, more) Councillor to represent them in accordance with criteria that reflect the Member's involvement in the core activity of Standards development.

Councillors may also be the Member Representative, however in larger Member organisations the Councillor role may be given to a more operational nominee. This is a matter for each Member.

Appointments are formalised by the Member Representative and the Councillor completing and signing the appropriate form and forwarding it to the Company Secretary. During the year of each third anniversary from July 1999, Members are required to renew Councillor appointments or make new appointments.

NOTE: More information on the responsibilities of Councillors is available on the [Standards Australia website](#) in 'Standards Australia Members and Councillors Duties and Responsibilities'.

4 BOARD

In accordance with the Constitution the Board shall comprise a minimum of six and a maximum of eleven Directors. The majority of the non-executive Directors should be independent with no significant ties with Standards Australia that could affect their judgement. The majority of Directors are elected by the Councillors on behalf of the Members for a term of three years. The Board may appoint up to two Directors.

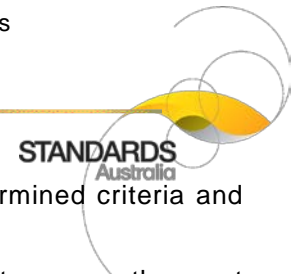
Directors are usually appointed for a term of three years and may generally be reappointed for two further terms of three years. Elections are held annually for the position of those Directors whose term has ended. For a person to be nominated for election by Councillors as a Director, the nomination must be in accordance with the Constitution and Membership Rules.

The business of Standards Australia is overseen by the Board whose primary functions are:

- directing the CEO in carrying out the operations of the business;
- providing directives to allow Standards Australia to fulfil its objectives as set out in the Constitution;
- receiving and considering recommendations from Council on the activities, policies, procedures and management and operation of Standards Australia, including the performance of committees; and
- ensuring the continuing financial well-being of Standards Australia.

The principal roles of the Board as a collective body are:

- To review and approve the strategic direction, as detailed in the long term corporate strategy and the annual business plan with achievable and measurable targets and milestones.
- To review and approve budgets and other performance indicators and review performance against them, initiating corrective action where required.
- Oversight of the company, including its control and accountability systems.
- To approve policies ensuring compliance with applicable laws and the highest business and ethical standards.



- To appoint the CEO and evaluate their ongoing performance against predetermined criteria and review and approve the total remuneration of the CEO.
- To review the structure and composition of the Board and Board Committees to ensure the most effective structure that best assists the governance process.
- To test by questioning and challenging management assertions and by requiring that the Board be kept fully informed of operational and financial performance.
- To review and approve business plans and budgets, ensuring they are in accord with and support the established objectives and approved strategies.
- To approve and monitor the progress of major capital expenditure, investment management, and acquisitions and divestitures.
- To ensure that policies on key issues, including exposure to various risks, are in place and are appropriate.
- To review and ratify systems of risk management and internal compliance and control, codes of conduct and legal compliance.
- To recommend the appointment of auditors and to oversee the audit process and review audit reports.
- Require and monitor systems for keeping key stakeholders informed.

The Board maintains a number of standing committees (Board Committees) to assist in its roles, including the Finance, Risk and Audit Committee, Remuneration and Nominations Committee and the Standards Development and Accreditation Committee (SDAC).

5 BOARD COMMITTEES

To consider issues in more detail the Board can establish Board Committees, which then report back and advise the Board. In addition, ad hoc Committees may be formed for specific tasks. Each Committee has its own Charter approved by the Board.

The Board will appoint a Director to Chair each Committee. Directors are expected to make themselves available to serve on Committees as required. The CEO will attend Committee meetings by invitation. The chairman of each Committee will report matters of significance to the next Board meeting for approval or ratification.

5.1 Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is a Board Committee who acts as the medium by which the Board, management, and auditors will meet, review and advise on matters relating to the company's financial management, risk and compliance. A key role of the Committee is to act as an independent and objective forum to review the financial information prepared by management including information for use by the Board in determining policies or for inclusion in the annual financial statements.

The Committee's primary objectives are to assist the Board in fulfilling its responsibilities in relation to:

- Investment strategy
- Risk management
- Compliance with legal and contractual obligations
- Accounting, reporting and internal controls
- Audit and auditors.



5.2 Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a Board Committee and their primary objectives are to assist the Board in fulfilling its responsibilities in relation to:

- Remuneration policy and strategy
- CEO, Director and Committee Member remuneration
- Succession planning and nomination of new directors and other officers
- Applications for new Standards Australia membership
- Nomination of Honorary Councillors
- Board and Board Committee performance

5.3 Standards Development and Accreditation Committee (SDAC)

The SDAC is a Board Committee and is chaired by a Standards Australia Director with members including a representative of the Commonwealth Government and other persons appointed by the Board to represent stakeholder interests. The Chairman of the Standards Australia Board and the CEO attend Committee meetings as Observers.

SDAC Members are appointed by the Board usually for an initial term of three years and may be reappointed for one further term of three years.

The primary objectives of the SDAC are:

- a) to assist the Board in fulfilling its responsibilities as Australia's peak national Standards body and in the development of Australian Standard® brand standards, which include joint Australian/New Zealand Standard™ brand standards, and related documents; and
- b) to perform the duties and responsibilities in accordance with the role and powers delegated by the Board in relation to the accreditation of Standards Development Organisations (SDOs) to develop and maintain Australian Standard® brand standards.

The primary role of the SDAC is to assist the Board to:

- Exercise oversight of Standards Australia's processes, policies and procedures as a developer of Australian Standard® brand standards and related documents.
- Provide process governance for the development of Australian Standard® brand standards by Standards Australia, and as agreed on a case by case basis for other accredited SDOs as required, and to ensure compliance with appropriate processes for the development of Australian Standard® brand standards and related documents.
- Determine which projects are resourced by Standards Australia, with reference to published criteria.
- Provide guidance on, and if necessary make decisions on, priorities for the development of Australian Standard® brand standards and other documents in the public interest.
- Provide the final point of process dispute resolution with Standards Australia as a developer of Australian Standard® brand standards and related documents and in relation to standards development by accredited SDOs.

and, pursuant to the roles and powers delegated by the Board, to:

- Accredite (or where appropriate decline to accredit) organisations in Australia in relation to the development, approval, publication and maintenance of Australian Standard® brand standards.
- Withdraw any accreditation granted under the previous point.



- Audit accredited SDOs to ensure compliance with all policies, rules, regulations and guidelines of accreditation.

A Review Panel representing the Council of Standards Australia (Council) will act as the final arbiter of appeals from decisions made by the SDAC in respect of its accreditation function.

Accreditation ensures Australian Standard® brand standards retain the quality inherent in the rigorous, transparent and internationally aligned development process.

SDAC provides a valuable mechanism to ensure other SDOs in Australia are able to develop their own industry Standards and have these Standards recognised as Australian Standard® brand standards. *SDAC is recognised in the Memorandum of Understanding (MOU) between the Commonwealth Government and Standards Australia.

*NOTE: *The current MoU makes reference to the Standards Development Committee (SDC) and the Accreditation Board for Standards Development Organisations (ABSDO), however the SDAC has since been established and now manages the responsibilities previously undertaken by the SDC and the ABSDO.*

6 CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer (CEO) of Standards Australia is responsible to the Board for the leadership, management and overall performance of the organisation. The CEO manages the organisation in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.

In particular the CEO's responsibilities include:

- Taking and approving all and any actions and initiatives required to deliver the organisation's strategy, mission, vision and operating plans approved by the Board
- Ensuring all risks are identified and managed
- Maintaining an effective management team
- Managing expenditures within approved limits and budgets
- Ensuring that all actions comply with company policies and procedures in force from time to time
- Ensuring that the Board is made aware of any significant issues that affect the organisation's wellbeing
- Other responsibilities as delegated from time to time by the Board

7 PRODUCTION MANAGEMENT GROUP (PMG)

The Production Management Group (PMG) functions under the authority of the SDAC and is an internal committee formed by the management of Standards Australia to:

- Provide management oversight of the development of Australian Standard® brand standards and related documents.
- Implement Standards Australia's policies and procedures for the development of Australian Standard® brand standards and related documents.
- Exercise delegated authority for some aspects of Standards development governance.
- Provide management oversight of Australian participation in Standards Australia's international Standards development activities, including international meetings to be hosted in Australia.

The PMG will have the following roles:

- Undertaking project assessment and selection in accordance with the priorities and parameters set by the SDAC.



- Determining resource allocation for Standards development projects and monitoring their performance.
- Providing advice to the SDAC on the prioritisation and allocation of projects to be resourced by Standards Australia.
- Approving the constitution and monitoring the performance of Technical Committees.
- Ensuring the proper application of Standards Australia’s policies and procedures for Standards development.
- Driving continuous improvement and innovation in the development process for Standards and other related documents.
- Assisting with dispute resolution in accordance with agreed policies and staged dispute resolution procedures.

DOCUMENT HISTORY

To follow details the history of this document:

Date	Author	Amendment Details
12/03/08		v1.0 - Document first released.
18/07/13	Process & Procedures Coordinator	v2.0 - Guide completely reviewed, amended to reflect current structure/practices and re-released.
22/07/13	Process & Procedures Coordinator	v2.1 - Add ABSDO to section 3 and SCSC to section 10.
07/08/13	Process & Procedures Coordinator	v2.2 - Remove reference to Standing Forums.
08/10/14	ABSDO Secretary	v2.3 - Minor amendments to clarify ABSDO responsibilities.
13/12/16	Process & Procedures Coordinator	v2.4 - Reviewed & revised to reflect current organisational structure & responsibilities & to align with various charters.