

PART D: CONCLUSIONS – THE ROAD AHEAD

15 The road ahead

The twenty-five Terms of Reference for this Review are complex and, in many cases, interrelated. Accordingly, many of the 55 recommendations are both interrelated and interdependent. Partial adoption of some recommendations might be counter-productive, if not considered in a holistic way with related recommendations.

The Review Team, therefore suggests that the “road ahead” for consideration and potential adoption of the Review’s recommendations needs to follow a sequential pathway, while noting that the weighting of individual recommendations varies. It is recognised, also, that issues such as changes to legislation and drafting of new legislation , if adopted as recommended, may take considerable time to complete. It is suggested this should not delay parallel adoption of related changes recommended by the Review.

The proposed sequence for consideration of recommendations by topic is as follows:

a) Positioning for national interest roles of SQAM institutions and related bodies

Actions:

- Confirm future national interest functions of SABS to be standards development and accreditation of other standards developers.
- Amend the Standards Act accordingly, removing all other responsibilities from the Act.
- Confirm national interest activities of SANAS to be all accreditation responsibilities (apart from accreditation of standards developers).
- In the short term, confirm by Cabinet decision and a revised Memorandum of Understanding that SANAS’ national role is a whole of Government recognition.
- Establish an Accreditation Act to formally enable SANAS to act on behalf of Government for defined national interest activities. Within that Act confirm SANAS’ corporate status to be continuation as a Section 21 Company under the Companies Act.
- Confirm that NML remain within CSIR but have it operate as a separate Division or at equivalent status to a Division.

- Establish an NML Management Board and an NML Advisory Board with critical stakeholder representation to provide governance oversight for NML's implementation of the national measurement system.
- Relocate the responsibilities for the Trade Metrology system according to the recommendations in the Review Report
- Establish a new "Technical Regulations Act" to absorb the administration of compulsory specifications currently embodied in the Standards Act, but remove all references to control of Marks from both Acts.
- Establish a "Regulatory Reform Act" to establish an Office of Regulatory Reform along with the other functions for review of technical regulations and use and control of regulatory and other conformity assessment marks recommended in this report.
- Assign responsibility for administration of the "Regulatory Reform Act" to an appropriate Ministry separate from the Department of Trade and Industry and other Ministries administering technical regulations.
- Create a legal metrology framework (eventually absorbing the legislative system for trade metrology) within the overall framework for technical regulations.
- Establish a national strategy for quality promotion with high level government endorsement and mechanisms for identifying development programs and for reviewing and allocating funding support for such programs.

b) Coordination and governance of SQAM institutions

Actions:

- Establish a SQAM Advisory Forum with stakeholder representation as described in this report.
- Empower the Forum to provide advice to government on strategic and national policy relevant to SQAM activities and to review submissions for funding support for quality development programs.
- Arrange cross-representation on the governing Councils, Boards or senior policy forums of the major SQAM institutions to ensure high level coordination of SQAM activities.

- Arrange for senior, direct representation by DTI on each of the governing Councils, Boards or senior policy forums of the major SQAM institutions.
- Define any broader coordination roles of the DTI that might be needed to administer the SQAM infrastructure following this Review and resource appropriately to perform such functions.

c) International Profiles of SQAM institutions

Actions:

- Maintain current levels of SQAM institution representation in their major regional (SADC) and international forums.
- Set strategic objectives for enhanced research and development of measurement standards to increase representation in relevant Consultative Committees of CIPM, attract new research talent into NML and ensure sustainable international recognition of NML.
- Formally recognise the potential contributions of SQAM institutions to Government trade negotiations relevant to Mutual Recognition Agreements and technical barriers to trade, and provide for appropriate national interest funding for such activities conducted by the institutions.

d) Separation of commercial activities and fair competition principles

Actions:

- In harmony with the recommendations to restrict an amended Standards Act to standards development only and to provide the community at large with reassurance that national interest funding does not subsidise the commercial testing, certification inspection etc functions of the SABS, establish a tax paying subsidiary for such activities.
- Do not further consider privatisation of the commercial entity, until it has established a successful track record in its fully commercialised status;
- Establish a separate Board for the commercial subsidiary with some representation from the SABS Council.
- Consider renaming the separated entities to ensure there is no unfair association between the brand names of the national interest standards development body and the commercial

subsidiary. In this context adopt the title of “South African National Standards” to replace “SABS Standards”.

- Open the system for demonstrating compliance with compulsory specifications to all appropriately accredited conformity assessment bodies including foreign accredited bodies. Have this process monitored under the proposed Office of Regulatory Reform.
- In separating the commercial activities of the SABS, identify which testing activities need to be performed by essential national interest facilities, identify the associated levels of public funding of such facilities.

e) Funding of SQAM institutions

Actions:

- Maintain government funding levels for essential national interest activities of SQAM institutions.
- Clearly define such national interest activities for each SQAM institution, including the specific deliverables expected for such activities and their accountability to government.
- Establish a single line of funding for all national interest activities of SQAM institutions, but allow them to seek project funds where necessary for support of other government needs or initiatives.
- Provide SQAM institutions with rolling three year government funding budgets to allow for appropriate financial and resource planning, reviewed annually against performance specifications.

f) SQAM relations with industry

Actions:

- Where necessary for individual SQAM institutions, enhance industry representation in their governance and senior policy advisory forums.
- Where missing, establish such policy advisory or governance bodies with high level industry representation (such as the proposed NML Management and Advisory Boards and the SABS Advisory Board and Sector Policy Committees).

- Ensure more comprehensive industry representation in international standards writing committees.
- Extend government support mechanisms for SMMEs to access SQAM institution services.

g) SQAM support for international trade

Actions:

- Establish an overarching government strategy for establishment of MRAs in the regulatory sector in line with the principles and priorities proposed in this Review.
- Define the policy for use of accreditation and other SQAM MRAs in the voluntary sector to support government to government MRAs.
- Maintain policies to adopt as many relevant international and regional standards as possible as South African National Standards to facilitate acceptance of South African products in foreign markets and reduce future claims against any perceived South African technical barriers to trade.
- Recognise SQAM development and maintenance of MRAs, their participation in regional and international trade forums and support for trade negotiations as significant national interest activities and include funding of these activities in annual government support for relevant SQAM institutions.
- Assign priority attention to review of technical regulations impacting on future trade agreement policies of Government, including those which may be the subject of MRAs with selected trading partners, to the proposed Office of Regulatory Reform.

h) General SQAM Issues and Services

Actions:

- Adopt the principles for use of regulatory marks recommended in this Report and have their implementation monitored under the proposed "Regulatory Reform Act".
- Include the control of abuse of conformity assessment marks in general, including those associated with accreditation, in the provisions of the proposed "Regulatory reform Act".
- Investigate possibilities for SANAS to be indemnified or otherwise protected when operating on behalf of regulators.

- Fund the establishment and maintenance of a central register of accredited conformity assessment bodies cross-linked to other registers of certified products and organisations.
- Consider the operational improvement suggestions for individual SQAM institutions described in this Report.