STATEMENT OF CORPORATE INTENT

2016/2019

HELPING MARKETS WORK BETTER
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31 May 2016

The Hon Christopher Pyne MP
Minister for Industry, Innovation and Science
House of Representatives
Canberra, ACT, 2600
AUSTRALIA

The Hon Paul Goldsmith MP
Minister for Commerce and Consumer Affairs
The Beehive
Parliament Buildings
Wellington
NEW ZEALAND

Dear Ministers

I am pleased to submit to you the Statement of Corporate Intent for the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) for the period 1 July 2016 to 30 June 2019.

The SCI operates as a three-year rolling plan and outlines the objectives of the accreditation system and the scope of activities to be undertaken. The SCI provides the basic framework for the work plans by individual business units and staff.

Yours faithfully

Mike Willing
Chairman
Joint Accreditation System of Australia and New Zealand (JAS-ANZ)
ABBREVIATIONS

AACB  Association of Accredited Certification Bodies
ANAB  ANSI-ASAQ National Accreditation Board
ANZEx  Australian/New Zealand Certification Scheme for explosion-protected electrical equipment
ANZIF  Australia New Zealand Institute of Foresters
APEC  Asia-Pacific Economic Cooperation
APLAC  Asia-Pacific Laboratory Accreditation Cooperation
BRC  British Retail Consortium
CAB  Conformity Assessment Body
CASCO  ISO Committee on Conformity Assessment
CCF  Civil Contractors Federation
DFAT  Department of Foreign Affairs and Trade
EMS  Environmental Management System
FSMA  Food Safety Modernisation Act
GFAMAM  The Global Forum on Maintenance and Asset Management
IAF  International Accreditation Forum
IEC  International Electro-technical Commission
IECEE  IEC System of Conformity Assessment for Electro-technical Equipment and Components
IECQ  IEC Quality Assessment System for Electronic Components
IHAF  International Halal Accreditation Forum
IIIOC  Independent International Organisation for Certification
ILAC  International Laboratory Accreditation Cooperation
IOAS  International Organic Accreditation Service
ISO  International Organisation for Standardisation
ISO CASCO  ISO Committee on Conformity Assessment
MBIE  Ministry of Business, Innovation, and Employment
MLA  Multilateral Recognition Arrangement
MRA  Mutual Recognition Arrangement
NA  Norwegian Accreditation Body
NABCB  National Accreditation Board for Certified Bodies
NATA  National Association of Testing Authorities
NESA  National Employment Services Association
NGO  Non-governmental organisation
PAC  Pacific Accreditation Cooperation
QMS  Quality Management System
RTAC  Reproductive Technology Accreditation Committee
SAM  Standards Accreditation and Metrology
SQF  Safe Quality Food
TBT  Technical Barriers to Trade
TIA  Technical Infrastructure Alliance
TTMRA  Trans-Tasman Mutual Recognition Arrangement
WTO  World Trade Organisation
JAS-ANZ
CHAIRMAN’S
INTRODUCTION

2016 is a major milestone for JAS-ANZ. This year marks 25 years since it was established by agreement between the Australian and New Zealand Governments as an independent, third-party accreditation body. In these 25 years, JAS-ANZ has grown in maturity and stature to now be a major contributor in the conformity assessment and certification fields within Australia and New Zealand and in the many countries in which we have a trading presence. All the while, JAS-ANZ continues to be an international not-for-profit organisation funded by its commercial activities.
In the past five years in particular, JAS-ANZ has introduced, in close co-operation with stakeholders, a number of changes to the way we operate both internally and externally. The impetus behind such changes has been to achieve greater transparency and efficiency. Significant resources have been committed to reviewing how we can better relate to our shareholders and most importantly, how we can better contribute to enhancing the total quality assurance environment in which we all participate.

While continual growth and changes to how an organisation operates and is structured are critical to success, it is also important to take the time to consolidate those changes. This past year, some additional staff appointments have been made. Simultaneously, time has been taken to ensure that JAS-ANZ’s processes are fully imbedded and that both staff and stakeholders are fully cognisant of the changes and are operating effectively.

This SCI continues to build on what we have achieved to date but, more importantly, it provides a very clear and measurable description of what, why and how we will operate and achieve in the next three to four years. As a proud organisation with a very achievable aim to be leaders in our field, we are committing ourselves through this SCI to a program of work that will continue to enhance the national and international trading environment of Australia and New Zealand.

Since my appointment to the JAS-ANZ Board in 2004 and serving as both Vice-Chair and Chair roles during that time, I have been a participant in the often frustrating but exciting and extremely rewarding changes that provide the foundation for this SCI. I speak on behalf of the full Board when I state that this SCI will enable JAS-ANZ to continue to thrive and remain a quality organisation. One that is highly respected wherever Australia and New Zealand has a trading presence.

The budget that accompanies this SCI reflects the projected income and the various intended project expenditure for JAS-ANZ and demonstrates consistency with our not-for-profit requirement.

Mike Willing
Chairman
Joint Accreditation System of Australia and New Zealand (JAS-ANZ)
EXECUTIVE SUMMARY

 Goods and services are pivotal to the economic prosperity of both Australia and New Zealand.

JAS-ANZ is tasked with delivering a joint trans-Tasman accreditation system to support national markets and trading relationships between:

- Australia and New Zealand; and
- Each of these countries with the world at large.

As such, JAS-ANZ plays a central role in setting and upholding the standards of excellence required to drive trade, consistent goods and product information and market accessibility. JAS-ANZ is also pivotal in generating influential opportunities to showcase businesses operating within its core sectors, being:

- Business process and innovation;
- Environment;
- Food and biological systems; and
- Health and human services.

Accreditation delivers important information to markets that supports trade in goods and services. Those organisations that JAS-ANZ accredits provide certificates that attest to the performance and quality of goods, services, personnel and systems across all sectors of the economy. JAS-ANZ operates at the peak of a system which reduces transaction costs, distance and information asymmetries in a world of complex transactions and products.

Through its programs, JAS-ANZ contributes to important societal aims and business productivity.

JAS-ANZ is focused on end-user confidence in the integrity of certification. Rigorous yet fair accreditation standards are crucial to ensuring recognition of Australian and New Zealand goods and services excellence. Equally, these ensure that the goods and services Australia and New Zealand derive from their respective trading partners satisfy national standards.

This Statement of Corporate Intent (SCI) builds on our 2015/18 SCI, which reconfirmed our key strategic objectives regarding:

- Integrity and confidence;
- Trade support;
- Linkages; and
- International acceptance.

These objectives define our core purpose. The strategies we have in place to address our objectives remain the same. In response to a variety of internal and external changes, however, we have refined our objectives themselves to place greater emphasis on the link between our performance and stakeholder and client outcomes.
JAS-ANZ CORE
PURPOSE

JAS-ANZ’s chief purpose is to deliver an accreditation system that:

- Enhances market acceptance of goods and services; and
- Strengthens trade relationships between Australia and New Zealand as well as between these two countries and global markets.

JAS-ANZ fulfils its purpose through administering a joint accreditation scheme that drives stronger economic growth and higher quality products and services. An overview of our organisational vision, mission, goals and values are summarised in Figure 1 on page 11.

There are three chief components to JAS-ANZ’s structure:

- **Governing Board**: appointed by the Australian and New Zealand governments to oversee JAS-ANZ’s operation.
- **Technical Advisory Council**: appointed by the Governing Board to act as a forum for stakeholder involvement.
- **Accreditation Review Board**: to ensure appropriate input and deliberation on accreditation decision-making.

A Secretariat carries out the day-to-day operations and management of JAS-ANZ, primarily:

- **Accreditation**: central accreditation decision-making, impartial complaints administration and contributions to internal membership organisations.
- **Corporate**: fulfilling the obligations of the JAS-ANZ Treaty.
- **Operations**: delivering both inward- and outward-facing functions that complement core accreditation services.
- **Services**: meeting client and stakeholder expectations for service delivery and support.

Currently JAS-ANZ Secretariat comprises 30 full-time staff based in offices in Canberra (18) and Wellington (eight). A further four staff operate from Brisbane, Melbourne and Sydney respectively.

JAS-ANZ’s key value proposition is to deliver an innovative agile accreditation scheme that enhances national, trans-Tasman and international trade and achieves international recognition of Australian and New Zealand goods and services excellence. A summary of our accreditation scheme together with core outcomes is included in Figure 2 on page 12.
01 / Mission
To ensure that JAS-ANZ accreditation enhances national, trans-Tasman and international trade to achieve international recognition for the excellence of Australian and New Zealand goods and services.

02 / Vision
JAS-ANZ will be the accreditation body of choice nationally, regionally and internationally.

03 / Goals
- Integrity and confidence: maintain a joint accreditation system that gives users in Australia and New Zealand confidence that goods and services certified by accredited bodies meet established standards.
- Trade support: obtain and maintain acceptance by Australia’s and New Zealand’s trading partners for domestic management systems and exported goods and services.
- Linkages: create links to relevant bodies that establish or recognise standards for goods and services or that provide conformity assessment.
- International acceptance: obtain mutual recognition and acceptance of conformity assessment with relevant bodies in other countries.

04 / Values
JAS-ANZ provides leadership in accreditation for Australia and New Zealand and is committed to:

Integrity and trust
- Maintaining an ethical organisation that engenders trust and understanding in all stakeholders
- Operating and communicating in a transparent manner.

Professionalism
- Practicing good corporate governance and meeting all statutory requirements
- Ensuring highly professional personnel and services.

Creating value through our people
- Providing professional development
- Encouraging innovation
- Encouraging teamwork
- Recognising the significant contributions of our staff and volunteers.

Customer focus
- Recognising our Treaty obligations to the community
- Adhering to the technical obligations of our mutual recognition arrangements (MRAs)
- Developing and maintaining relationships with our stakeholders
- Implementing an effective communication strategy.
**INTACT AND CONFIDENCE**

Reduces information asymmetries. Costs are reduced. Can verify the credibility of CABs. Better informed purchasing.

**TRADE SUPPORT**

Reduces cost of overcoming trade barriers. Use accreditation to facilitate recognition. Client organisations gain market access. Access higher quality goods.

**LINKAGES**

Builds links for capacity building and cooperation. CABs gain new opportunities. Signals their credibility. Costs of product approvals are reduced. Access higher quality goods.

**INTERNATIONAL ACCEPTANCE**

Establishes its credibility. CABs gain recognition. Costs of product approvals are reduced. Access higher quality goods.
INTRODUCTION

Each year, JAS-ANZ provides a Statement of Corporate Intent (SCI) to the Australian and New Zealand Governments. The SCI operates within a strategy that JAS-ANZ pursues in accordance with the roles and responsibilities defined in the JAS-ANZ Treaty.

This SCI highlights specific activity for the 2016/17 financial year and presents a three year rolling financial plan.

This SCI will guide JAS-ANZ operational planning, resource allocation and definition of staff purpose.

In delivering the strategy underpinning this SCI, JAS-ANZ will strongly support Australian and New Zealand goods and services from broad sector level to individual business level.

JAS-ANZ has identified several performance targets and measures to evaluate its delivery on strategic objectives. Progress on these will be reported to the Australian and New Zealand Governments through the JAS-ANZ Annual Report.

For the term of this SCI, JAS-ANZ will continue to be a wholly financially self-supporting enterprise.

### JAS-ANZ KEY PROFILE FACTS

**Accreditations programs offered**
1. Management Systems Certification
2. Product Certification
3. Personnel Certification
4. Inspection
5. Validation and Verification Greenhouse Gas

**Accreditation schemes**
137 Public and Proprietary schemes

**Principal schemes**
1. Quality Management (ISO 9001)
2. Environmental Management (ISO 14001)
3. OH&S Management (AS/NZS 4801, OHSAS 18001)
4. Food Safety Management (ISO 22000, FSSC 22000)

**Number of accredited bodies**
135

**Key markets**
Australia, New Zealand, Korea, India, China, Turkey and Vietnam

**Regional and international recognitions**
IAF MLA, PAC MLA, ILAC MRA, APLAC MRA, MCAA

**Number of accredited certificates 2015/2016**
There are currently over 136k certifications on the JAS-ANZ register
JAS-ANZ spearheads delivery of quality standards and conformance infrastructure. Our overriding mission is to support national and international recognition of dependable Australian and New Zealand goods and services quality. Our mandate comes directly from the Australian and New Zealand Governments in collaboration. JAS-ANZ supports a range of market and regulatory outcomes in both countries.
The accreditation system comprises a wide network of public and private interests concerned with the performance and reliability of conformity assessment. This table lists the steps necessary to deliver a certification or inspection solution.

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>STEP</th>
<th>ROLE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standards body</td>
<td>01</td>
<td>Develops standards</td>
<td>Standards are developed in response to government and industry requirements that may be supported by accredited certification or inspection services.</td>
</tr>
<tr>
<td>Scheme owner</td>
<td>02</td>
<td>Develops schemes</td>
<td>Schemes are developed by interested parties to support their operating objectives with specific requirements for the uniform interpretation and implementation of conformity assessment standards.</td>
</tr>
<tr>
<td>JAS-ANZ Technical Committee(s)</td>
<td>03</td>
<td>Develops assessment criteria</td>
<td>Assessment criteria including JAS-ANZ schemes are developed using Technical Committees that provide a balanced representation of significantly interested parties. In this way, technical expertise is drawn into the development process to support innovation and key stakeholder needs. Most of this work is done by volunteers.</td>
</tr>
<tr>
<td>JAS-ANZ</td>
<td>04</td>
<td>Provides accreditation assessment and technical advisory services</td>
<td>JAS-ANZ provides assessment services to Conformity Assessment Bodies (CABs). Bodies meeting the assessment criteria receive JAS-ANZ accreditation. This accreditation is internationally recognised. Technical services support peer organisations.</td>
</tr>
<tr>
<td>Conformity Assessment Body (CAB)</td>
<td>05</td>
<td>Provides conformity assessment services</td>
<td>Accredited Conformity Assessment Bodies (CABs) provide commercial certification and inspection services. JAS-ANZ receives a fee from certificates issued; however, it is not involved in the commercial arrangement between the CAB and its clients.</td>
</tr>
<tr>
<td>JAS-ANZ</td>
<td>06</td>
<td>Undertakes peer review services</td>
<td>JAS-ANZ is subject to peer review and contributes to peer review of other accreditation bodies, to verify conformity with International Accreditation Forum (IAF) criteria.</td>
</tr>
</tbody>
</table>
ACCREDITATION IMPACTS

Our SCI has been purpose-outlined to deliver the most effective services and impacts to the key sectors with which we work. To do this, we must continually forge in-depth understanding of the operational environment, challenges and long-term objectives of each sector. We work collaboratively with key networks, stakeholders and end-users to drive priority accreditation impacts.

KEY JAS-ANZ NETWORKS,
STAKEHOLDERS AND
END-USERS

- The Australian and New Zealand Governments that collaborate to support international and trans-Tasman trade while fostering strong market confidence in diverse fields within the goods and services sector, including health, safety, environment and consumer protection.
- The 137 public and proprietary schemes, each of which has its own dedicated owner with final authority over the certification criteria (usually a government agency or industry body).
- CABs that are JAS-ANZ’s primary clients, being accredited by us to provide certification, inspection, verification and validation services.
- IAF that provides the framework for mutual recognition between accreditation bodies around the world. IAF sets the standards that accreditation bodies such as JAS-ANZ must meet in their accreditation activities. IAF also sets standards that accreditation bodies must employ as accreditation criteria when accrediting CABs if the CABs’ attestations are to be recognised under the IAF MRA. These standards aim to establish international consistency in conformity assessment and certification.
- ILAC that establishes laboratory and inspection body accreditation requirements. This body develops guidance and mandatory documents that clarify the International Standards that form the basis of accreditation criteria. ILAC also manages the MRA for inspection body accreditors.
- PAC that is the regional member organisation for IAF members in the Asia-Pacific region. PAC’s mandate is to represent the interests of Asia-Pacific economies nationally, regionally and internationally with regard to certification and registration of body accreditation and related activities. PAC offers the schemes developed within the IAF together with a range of services more closely aligned to the Asia-Pacific Economic Cooperation (APEC) agenda.
- APLAC that is the regional group member of the ILAC. APLAC is PAC’s equivalent for the purpose of inspection and laboratory accreditation specifically.
- Other accreditation bodies to which JAS-ANZ provides individuals to assist in peer evaluation activities. Examples include IAF, ILAC, PAC and APLAC. Likewise, other accreditation bodies periodically assess JAS-ANZ. Such cooperative evaluations play a key role in keeping all accreditation bodies honest, accountable and functioning at their peak.
- Consumers both nationally within Australia and New Zealand plus internationally in key economies for JAS-ANZ. As end-users of goods and services certified by CABs, maintaining consumer confidence and trust is paramount to JAS-ANZ’s organisational objectives.

JAS-ANZ’s core accreditation network is summarised in Figure 4 on page 18.

ACCREDITATION ENVIRONMENT

JAS-ANZ’s systems are, wherever possible, aligned directly with the accreditation conditions of its global accreditation networks. We adhere to these conditions to the extent that they are consistent with:

- The JAS-ANZ Treaty;
- Any policy direction set by the Australian and New Zealand Governments; and
- The laws of Australia and New Zealand.

KEY ACCREDITATION IMPACTS

The key outcome areas through which we deliver benefits to our stakeholders along the goods and services sector value chain and the elements we contribute to those outcome areas, as defined by our Core Purpose, are shown in Figure 2 on page 12.
FIGURE 4:
ACCREDITATION NETWORK

- Australian Government
- New Zealand Government
- Governing Board
- Technical Advisory Council
- Technical committees
- Scheme owners
- Accreditation Review Board
- Accreditation Review Board
- JAS-ANZ Secretariat
- Accreditation assessment
- Conformity assessment bodies
- Certification
- Certified organisations and individuals
- Technical infrastructure
- Complaints and appeals
- Peer review
- Asia-Pacific accreditation interests
- Accreditation standards and practices
- Peer review
- Conformity assessment bodies
- Measurement and Accreditation
- Other accreditation bodies
JAS-ANZ OPERATING ENVIRONMENT

The Governing Board and Management undertook a strategy and planning session during the early part of 2015. The Board considers the elements of strategy to be still relevant and capable of continuing to support the organisation.

Overall, the operating environment suggests continued stability in terms of the level of activity, with both opportunities for growth and contraction in some areas roughly balancing each other.

The plans and strategies outlined in this SCI are underpinned by an inextricable link to the global and national market environments. Several opportunities and challenges will influence JAS-ANZ's performance and approach through the 2016/19 SCI term.

GLOBAL ENVIRONMENT

What is going on in the world at large can often have direct bearing on goods and services. JAS-ANZ uses the World Economic Forum Global Risks 2016 framework to identify those primary challenges relevant to our organisation. On review, the Governing Board considers the following to be risks that, should they arise, have the potential to disrupt operations:

- Presence of corruption and fraud in some economies within which JAS-ANZ operates.
- Fiscal crises in core JAS-ANZ markets may lead to diminished economic activity and goods and services demand alike.
- Social instability in key off-shore operating environments may impede JAS-ANZ service delivery.
- Breakdown or breach of critical information infrastructure.
- Continued growth of economic and resource nationalisation, which may erode recognition of accredited certification.

Such challenges are a standard aspect of engaging in the global market. JAS-ANZ’s organisational risk management strategy includes detailed mitigation measures to respond to these and other risks should they arise.

Non-compliant product concerns

On a national level across Australia and New Zealand, consumer concern around non-compliant product remains significant. Rivalry between competitors often translates into complaints about the legitimacy of certification and accreditation which ‘muddies the waters’ in terms of their true worth to the goods and services sector. This SCI, including key strategies and plans, is framed in response to this particular challenge. Over the course of this SCI term, JAS-ANZ will implement numerous initiatives to directly address concerns around non-compliant product and mitigate mischievous claims for competitive purposes. A key part of JAS-ANZ’s approach is aligning its product certification framework seamlessly with public need and expectation. When faced with claims of non-compliance, JAS-ANZ will assess these against specific measurable certification metrics to ensure that the claim is valid rather than simply a product of competitive rivalry.

Product certification concerns

Alongside non-compliant product concerns, market uneasiness persists regarding product certification. Based on current authorities and evidence to date, JAS-ANZ ranks the key points of uneasiness in ascending order as:

1. Misuse or misapplication of certified product
2. Post-certification changes to product design and manufacture
3. Poorly made certification decisions
4. Administrative or process certification failures due to scheme complexities
5. Fraudulent or deceptive conduct

In response to these areas of concern, JAS-ANZ will roll out a new social media strategy and campaign to drive a stronger market interface offering greater information, responsiveness and transparency around how market concerns are being addressed by JAS-ANZ.
Growing certification demand

Growing demand for several key certifications remains strong across the Asia Pacific region. ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000 certification are in particularly high demand. Such demand creates a unique opportunity for JAS-ANZ to diversify accreditation activities. A focus of this SCI term will be the extension of our services and expertise to individual organisations within our core industry sectors to preserve optimum accreditation integrity.

An increasingly competitive trans-Tasman accreditation environment has triggered increased potential for brand exploitation and misappropriation. JAS-ANZ is determined to take a firm stance against this emerging challenge. Over this SCI term, we will further tighten protection of our intellectual property, implementing more stringent authorisation of the use of the JAS-ANZ brand and accreditation/certification endorsement.

INTERNAL ENVIRONMENT

In the context of JAS-ANZ’s external environment, we are placing a strong internal focus on communication strategy, learning and growth development together with enhanced knowledge management. JAS-ANZ recognises these mission-critical factors in providing a high-performance organisational and service response to the global market environment.

The strengths of JAS-ANZ lie in our people and our working methods. Our breadth of industry knowledge and extensive expertise enable us to custom-develop breakthrough information systems and service delivery methods in response to current market needs. Our comprehensive contractor network is handpicked to ensure industry-leading skills and work standards. Ours is a story of continual improvement. In April 2016, we appointed a Business and Innovation Sector Manager along with a Health and Human Services Sector Manager to further increase JAS-ANZ capabilities. Expanding our sector manager pool continues to be a core focus.

JAS-ANZ remains a self-supporting organisation that maintains a strong financial position. As such, we have capacity to invest in the capabilities of our people and networks, which we do strategically and often. Sound internal policy and compliance ensures our working model is constantly aligned with the changing demands of our external environment.

LOOKING AHEAD

Key opportunities and business initiatives for the 2016/19 are:

- Building on the demand for product certification.
- Development of new accreditation, statistical, information system and service delivery methods.
- Build a global profile in key sectors including food, safety and environment.
- Expanding scheme management capabilities to support stakeholder goals.
- Brand and social media development.
- Deliver a new information services suite for offer to certified organisations.
STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/19

The JAS-ANZ objectives describe what the organisation aspires to achieve as a result of implementing its SCI strategies, which also fulfil the JAS-ANZ Treaty goals. The following table highlights our objectives over this three-year cycle and the focus of activities for 2016/17.
## STRATEGY

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>OBJECTIVES</th>
<th>IMPLEMENTATION FOCUS</th>
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</table>
| **Integrity and confidence** | 1. Continue to develop our capacity and processes to deliver efficient and effective market outcomes. | • Expand governance, risk and compliance capability  
• Improve service delivery methods  
• Maintain desired internal culture  
• Evaluate services for certified organisations |
| | 2. Refine, strengthen and align our capacity to service demand in key markets/sectors requiring accredited certification. | • Enhance the utilisation of our contractor network  
• Develop social media and related capabilities  
• Build alliances across major conformity assessment systems |
| **A1. Provide accreditation that is at the forefront of conformity assessment trends and adapts to shifting market needs.** | 3. Develop programs, products and services that meet market demands and add demonstrable benefit. | • Build on sector management program  
• Complete rationalisation of current certification scheme portfolio  
• Develop internal criteria for scheme endorsement  
• Build a global profile in key sectors (food, safety and environment) |
| **A2. Delivering conformity assessment programs that offer a demonstrated value proposition (benefit).** | 4. Establish a learning and development capability that will support workplace development and a training program for CABs to improve system performance. | • Launch learning and development framework  
• Identify opportunities for external training  
• Develop instructional design model  
• Expand our ability to deliver information services to stakeholders |
| **A3. Building our skills, capabilities and competence in learning, training and knowledge use (learning and growth).** | **Trade support** | **B1. Providing timely and expert advice on conformity assessment matters in trade facilitation and regulation to Australian and New Zealand Government agencies.** | 5. Aid in reducing the impact of technical barriers to trade. | • Enhance profile as a trusted ‘go to’ advisor to Australia and New Zealand Governments  
• Build capacity of certifiers to support trade arrangements  
• Develop stronger program to service specific trade objectives  
• Provide support for trade-related measures on demand |
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<tr>
<th>STRATEGY</th>
<th>OBJECTIVES</th>
<th>IMPLEMENTATION FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Linkages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C1. Improving linkages with government, industry and non-governmental organisations (NGOs) that have interests in conformity assessment.</td>
<td>6. Build stakeholder relationships that improve our ability to deliver services that meet their needs.</td>
<td>• Improve communications program  • Expand scheme management capability  • Develop brand image in these sectors  • Build on network relationships with government, industries and NGOs</td>
</tr>
<tr>
<td>C2. Creating alliances with other providers of accreditation services and related bodies.</td>
<td>7. Establish key alliances and strategic partners that will lead to:  • More effective programs and services  • Formal arrangements that lead to mutual benefits and improved outcomes.</td>
<td>• Expand the capacity to undertake representative roles  • Focus on improved understanding of product certification  • Develop capacity to work with IEC systems  • Develop working links to ISEAL Alliance</td>
</tr>
<tr>
<td><strong>International acceptance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D1. Promote national and international confidence in the outcomes of conformity assessment.</td>
<td>8. Strengthen the development of international and regional cooperation and mutual recognition.</td>
<td>• Increase JAS-ANZ’s leadership influence  • Undertake extensions to MLA scopes  • Work for effective regional representation and governance across the Asia-Pacific</td>
</tr>
<tr>
<td></td>
<td>9. To ensure our accreditation system achieves international acceptance across a broader scope of product and service.</td>
<td>• Undertake a legal audit of policies and procedures  • Complete all obligations for peer evaluation  • Expand on capability model for accreditation</td>
</tr>
</tbody>
</table>
STAKEHOLDERS: STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/19

JAS-ANZ has numerous key stakeholders that have an interest in the accreditation system. This section outlines the activities that JAS-ANZ intends to undertake in support of these key stakeholders’ objectives. JAS-ANZ supports stakeholders through providing expert advice on conformity systems, developing relevant certification schemes, forming alliances and partnerships that support delivery of accreditation services and maintaining JAS-ANZ’s own international brand recognition.

GOVERNMENT
JAS-ANZ supports Australian and New Zealand Government activities through directly targeting trade support measures.

JAS-ANZ works within an international framework under the World Trade Organisation (WTO) and Technical Barriers to Trade (TBT) arrangements, which support the flow of goods and services through the elimination of TBT. The JAS-ANZ accreditation framework provides conformity assessment options that are internationally recognised as being consistent with WTO principles and supportive of good regulatory practice and market acceptance.

JAS-ANZ’s expertise in conformity assessment enables it to support analysis of technical conditions that govern market entry. To further assist reciprocal acceptance of manufactured goods and services between Australia and New Zealand and their respective trading partners, JAS-ANZ has developed and maintains appropriate networks with international colleagues.

The intended outcome is that JAS-ANZ will deliver authoritative advice to its principal stakeholders on conformity assessment, as relevant to trade initiatives and regulatory management. JAS-ANZ will further support principal stakeholders through access to its network partners.

SCHEME OWNERS
Scheme owners are the primary accreditation system consumers.

The three main services provided are:

- Development of new schemes;
- Review and maintenance of existing schemes; and
- External technical projects often focussed on capability development for regional economies.

The current JAS-ANZ scheme portfolio stands at 137.

There is a continuing need for rationalisation of schemes in the portfolio. Increased involvement in industry forums has provided valuable insights into scheme performance. Such insights assist in improving outcomes for scheme owners and users of accredited certification and inspection through more robust scheme offerings.

Work on extending scheme management services was undertaken in 2015–16 and this will be developed further in the coming year.

The primary areas for development are:

- CodeMark with the Australian Building Codes Board;
- Management committee roles in IEC schemes; and
- Transfer of ANZEx scheme from Standards Australia.

Scheme management offers several advantages but, chiefly, it eliminates issues of de facto schemes that lack effective management. It is also aimed at more effective certification performance and consistency.

SECTORS
Sectors represent clusters of activity and interests that use conformity assessment to support their aims and objectives. JAS-ANZ’s activities are built around these interests in five broad groups:

Business and innovation
The interests of business and innovation most often reflect the use of management systems methods to promote ideas of quality, productivity and innovation.

The main area of activity in Business and Innovation over the next three year period is the release of ISO 9001:2015 and the associated changes this will bring to certification.

This will be a dominant concern throughout until 2018 as both certifiers and their clients implement the changes.

In 2015, the Asset Management scheme was launched based on ISO 55001:2014. The first certifiers are currently going through the ISO 55001:2014 accreditation process. JAS-ANZ has formed an alliance with the Asset Management Council and The Global Forum on Maintenance and Asset Management (GFMAM) to promote the JAS-ANZ scheme globally.

There has been a continued focus on the review of existing schemes including Civil Contractors Federation (CCF) scheme and the Australian Certificates of Origin scheme.

The various sector activities and future prospects will be brought together in a coherent sector plan during 2016/17.
Further work in 2016/17 will investigate the viability of offering a scheme to support business continuity. Our current information technology schemes and personnel certification activities will be further developed to extend recognition of JAS-ANZ’s presence in these areas at our next peer evaluation in 2017.

Environment
The release of ISO 14001:2015 was one of a number of changes made to schemes and standards in the environmental sector. Demand from certification bodies seeking accreditation to recently launched environmental sector schemes is expected to remain high.

Managing these changes will dominate JAS-ANZ’s 2016/17 activity in this regard. Managing changes to certifier systems and practices under ISO 14001:2015 will take chief focus. An equally demanding change will be the upgrade of energy management certification following the release of the ISO requirements standard for energy management.

Over this next three-year period, JAS-ANZ anticipates further opportunities for environmental sector growth resulting from developing and strengthening relationships with industry bodies. The ISEAL Alliance is an important example of certification applied to private standards with a significant impact on trade. JAS-ANZ will aim to attend the ISEAL Alliance sustainability conference in 2017 and evaluate the benefits of seeking an active role in this area.

We will also seek to increase our involvement in the growing forestry sector, including participation in the annual Australia New Zealand Institute of Foresters (ANZIF) Conference.

Food and biological sector
The number of food sector schemes continues to grow. The sector has also been impacted by a large volume of changes to its central standards and schemes.

Freshcare was released in April 2016. This industry-owned standard describes the on-farm agricultural practices required to provide assurance that fresh produce is safe to eat and has been prepared to satisfy customer requirements.

There remains a substantial body of work with the Ministry of Primary Industries in New Zealand as a consequence of the recent Food Act 2014 and changes to the Export Phytosanitary schemes.

Acknowledging the value in Halal products trade to Australian and New Zealand producers, JAS-ANZ became an inaugural member of the International Halal Accreditation Forum (IHAF). The IHAF aims to harmonise conformity assessment practices in the Halal field by establishing a multilateral recognition agreement to facilitate acceptance of Halal trade between economies.

Following through on these developments will be a major undertaking in 2016/17.

Health and human services
This sector is undergoing rapid change with revisions to scheme rules primarily in the human services area. It is expected that this evolving environment will continue over the next 18 months with ongoing changes to the regulatory schemes.

The National Employment Services Association (NESA) scheme has been developed around the JAS-ANZ family of human services schemes to enable certification bodies to more easily integrate these certification services. The scheme, however, has not been taken up.
Product certification covers a range of activities over several sectors. It has been topical in discussions over the presence of non-compliant product in the Australian and New Zealand markets. This is expected to continue in 2016/17 and is an important subject of industry dialogue.

It is also an area of close cooperation with regulators in fields such as gas and electrical products. We expect to undertake several joint assessments with Australian State Regulators such as Energy Safe Victoria.

The outlook for 2016/17 includes changes to a number of product schemes, including:

- Transition to a new WaterMark certification scheme for plumbing products.
- Introduction of a revised CodeMark Scheme for building products in Australia.
- Revision to the New Zealand CodeMark Scheme.
- Competency criteria for product certification management systems assessors.
- Competency criteria for witness assessors in product certification.
- Peer assessment protocol for product certification assessors, including on-site review and sign-off protocol.

Alongside this work we expect to:

- Establish further cooperation agreements with other accreditation bodies such as National Accreditation Board for Certified Bodies (NABCB) (India) and the International Organics Accreditation Service (IOAS).
- Establish a relationship with US Food and Drug Administration to enable JAS-ANZ to provide accreditation under the Food Safety Modernisation Act (FSMA) 2011.
- Participate in the Safe Quality Food Institute (SQFI) conference in the United States. As one of only two accreditors providing the accreditation under this scheme, participation provides JAS-ANZ with an opportunity for technical calibration and training in scheme requirements.
- British Retail Consortium (BRC)/Global G.A.P. and SQFI conference in Europe provides an opportunity for scheme training specific for accreditors and a chance to obtain information on upcoming schemes changes or common emerging issues.

### PARTNERS AND COLLABORATORS

JAS-ANZ has recently become the Australian member body for the Quality Assessment System for Electronic Components (IECQ).

JAS-ANZ is also working with Standards Australia to also become the member body for IEC System of Conformity Assessment for Electrotechnical Equipment and Components (IECEE), known as the CB Scheme.

In support of the Trans-Tasman Mutual Recognition Arrangement (TTMRA) and JAS-ANZ objectives, we are working with Standards Australia to seamlessly transition ownership and administration of the Australian/New Zealand Certification Scheme for explosion-protected electrical equipment (ANZEx Scheme).

Alongside this work we expect to:

- Establish further cooperation agreements with other accreditation bodies such as National Accreditation Board for Certified Bodies (NABCB) (India) and the International Organics Accreditation Service (IOAS).
- Establish a relationship with US Food and Drug Administration to enable JAS-ANZ to provide accreditation under the Food Safety Modernisation Act (FSMA) 2011.
- Participate in the Safe Quality Food Institute (SQFI) conference in the United States. As one of only two accreditors providing the accreditation under this scheme, participation provides JAS-ANZ with an opportunity for technical calibration and training in scheme requirements.
- British Retail Consortium (BRC)/Global G.A.P. and SQFI conference in Europe provides an opportunity for scheme training specific for accreditors and a chance to obtain information on upcoming schemes changes or common emerging issues.

### INTERNATIONAL BODIES

JAS-ANZ is an active member of IAF and ILAC. Regionally, JAS-ANZ is the PAC and APLAC member body.

JAS-ANZ has broadened its international exposure by participating as an accreditation body in several international industry-based conformity assessment schemes, such as Global, G.A.P. and BRC. We have also recently become the Australian member body for IECQ.

JAS-ANZ actively participates in national, regional and international standards-writing activities through: the International Organisation for Standardisation (ISO), ISO Committee on Conformity Assessment (CASCO), IEC, Standards Australia, Standards New Zealand and scheme technical committees.

Over the term of this SCI, the primary focus is to:

- Maintain our level of involvement in international networks.
- Maintain and grow, where appropriate and sustainable, our level of involvement in international conformity assessment schemes.
- Continue to support international, regional and national standardisation of conformity assessment.
- Increase our involvement in IEC conformity assessment systems.
- Broaden our international exposure by joining and actively participating in the ISEAL Alliance.
<table>
<thead>
<tr>
<th><strong>End-users</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify information services and end-user needs.</td>
<td>• Complete assessment and report to Board by December 2016</td>
</tr>
<tr>
<td>Finalise sector plans.</td>
<td>• Plans documented and reviewed by Management by March 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Scheme owners</strong></th>
<th></th>
</tr>
</thead>
</table>
| Develop and apply endorsed scheme criteria acceptability. | • Complete CAB scheme stock-take and risk assessment by November 2016  
• Complete review of CAB proprietary schemes by January 2017 |
| Extend scheme management function. | • Function extended in line with agreed goals to cover:  
» CodeMark  
» ANZEx  
» IECQ |

<table>
<thead>
<tr>
<th><strong>Governments</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide support for trade-related inquiries.</td>
<td>• Requests for support responded to and addressed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Partners and collaborators</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete management responsibilities for IECQ.</td>
<td>• All obligations met throughout the course of the year</td>
</tr>
<tr>
<td>Establish collaborative relationship with IOAS.</td>
<td>• Establish feasibility and initial basis for cooperation by December 2016</td>
</tr>
<tr>
<td>Meet obligations for continued participation in BRC and SQF.</td>
<td>• Undertake participation in annual conferences</td>
</tr>
<tr>
<td>Support the transition from Standards Australia of the ANZEx scheme.</td>
<td>• Transition formalities completed by December 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>International</strong></th>
<th></th>
</tr>
</thead>
</table>
| Extend range of dealings with: | • Establish working links to ISEAL Alliance and determine membership arrangements  
• ISEAL Alliance  
• IEC Conformity Assessment Systems |
| Maintain international recognition through PAC/IAF/APLAC/ILAC multilateral arrangements. | Complete PAC/IAF/APLAC/ILAC peer evaluation |
| Extend the PAC/IAF MLA scope. | • Extend the scope of MLA participation to include:  
» Information security management systems; and  
» Personnel certification |
CLIENT: STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

JAS-ANZ’s primary client-centric focus is on improving the value offered to our clients through the JAS-ANZ brand and enhancing opportunities for clients. We improve value by delivering effective and efficient accreditation services, leading development of accreditation methods and investing in a strong brand that enables clients to reliably signal their capabilities.

ACCREDITATION SERVICES

JAS-ANZ’s primary activity is assessing and witnessing activities to support accreditation.

In 2016/17 approximately 20% of our accredited bodies will require a re-accreditation assessment.

The aggregate assessment load is expected to run to 194 office assessments involving almost 820 days of effort and a further 625 days of witness surveillance.

The general profile of accredited bodies by the end of 2016/17 is anticipated to be:

<table>
<thead>
<tr>
<th>Country</th>
<th>CURRENT</th>
<th>EXPECTED NEW (AT EOFY)</th>
<th>EXPECTED TOTAL (AT EOFY)</th>
<th>CURRENT APPLICATIONS IN PROGRESS (2015/2016 YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>57</td>
<td>1</td>
<td>58</td>
<td>3</td>
</tr>
<tr>
<td>Cambodia</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Dubai</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>29</td>
<td>1</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Japan</td>
<td>3</td>
<td>0</td>
<td>2*</td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>11</td>
<td>0</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>NZ</td>
<td>16</td>
<td>2</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>Philippines</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>135</td>
<td>4</td>
<td>137</td>
<td>13</td>
</tr>
</tbody>
</table>

*One CAB accredited in Japan is currently transferring to JAB
PROCESS-BASED APPROACH

The publication of ISO 9001:2015 has reinforced the need for a different approach to certification auditing. In simple terms, this starts with building quality systems around organisational processes rather than shaping an organisation to the standard. It takes in the important elements of risk and leadership as processes contributing to organisational success.

A major part of our workload over the next few years will be ensuring that audit practices do, in fact, meet ISO 9001:2015 objectives and support the business improvement perspective introduced into the standard.

IMPROVING SERVICE DELIVERY

A reasonable assessment of accreditation activity would reveal that it is marked by a large volume of administrative work created by revisions to certification documents. These are generated by revisions to standards and schemes. While they may be aimed at improvement, the volume has reached a level at which it is counterproductive. To address this, we will trial the use of self-declaration arrangements in order to remove administrative impediments to transitions. This will be backed by verification at subsequent assessments.

During the 2015/16 year there has been an increased focus on the CAB application process, with a greater emphasis on review of initial applications. Trial, development and introduction of a formal pre-application process has been implemented, including a more robust investigation of applicants prior to an application being considered for acceptance. We expect this to decrease the incidence of marginal applicants seeking JAS-ANZ accreditation.

The sphere of assessment team competence is an area of increasing focus and attention. This will undoubtedly be subject to far greater scrutiny in the future. JAS-ANZ recognises appropriately competent assessment teams are pivotal to achieving its goal of delivering accreditation that gives confidence. This recognition frames our organisational strategy and frameworks for contractor management now and into the future.

LEADERSHIP

JAS-ANZ leadership encompasses domestic and international responsibilities. Our domestic focus involves:

- Taking an active role in building the capacity of the whole trans-Tasman standards and conformance infrastructure.
- Engaging with other infrastructure organisations to deliver more effective solutions for conformity assessment, measurement and standards.
- Delivering insight and advice to stakeholders on the effectiveness of standards and conformance infrastructure across Australia and New Zealand.

Internationally, our focal role is contributing to the development of infrastructure that supports accreditation, including:

- Ensuring our contributions to infrastructure-building are high-quality and consistent.
- Engaging with our peers to collaboratively guide infrastructure evolution to:
  - Establish a well-thought-out position on the legitimate role of membership bodies;
  - Examine the institutional arrangements for international accreditation; and
  - Improve performance of the international accreditation system.

Leadership in either a domestic or international context is based on being confident in such a position and using it to lead and influence. Both contexts contribute to defining what accreditation is.

JAS-ANZ works closely with two client representative organisations—Association of Accredited Certification Bodies (AACB) and Independent International Organisation for Certification (IIOC)—to develop and implement certification performance improvement initiatives. Projects to be carried out over the term of this SCI include:

- Marketing Code and Practice;
- Social media presence;
- Industry collaboration;
- Training programs;
- Product certification and non-compliant product; and
- Scheme rationalisation.
BRAND
The JAS-ANZ brand has achieved strong cut-through and reputation in the accreditation sector.
To further support JAS-ANZ brand recognition, we have developed a social media strategy that will launch in 2016/17. We also plan to extend our range of contacts with organisations operating under JAS-ANZ accreditation.
JAS-ANZ has a rigorous brand protection framework to safeguard our brand and accreditation endorsement symbol against misappropriation. We recognise that in the current climate, where myriad new accreditation providers are clambering to garner market share, the JAS-ANZ accreditation endorsement is at greater risk of being misappropriated to falsely pass off goods or services as having met the stringent JAS-ANZ conditions for accredited certification. To this end, JAS-ANZ is expanding its strategic and tactical brand protection methods to address this consideration. We are currently considering redevelopment of our accreditation endorsement symbol to mitigate against potential misappropriation. A series of additional mitigation measures have previously been identified and will be developed over the 2016/17 year, including:
- Extended trademark registration;
- Technological protection methods with regard to online use of the JAS-ANZ logo; and
- Increased controls over certificate-issuing through the JAS-ANZ register.

SUMMARY OF CLIENT-CENTERED STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

Accreditation services
- Manage transition to process-based audit.
  - All staff assessors to have completed training by December 2016
  - Surveillance and witnessing criteria revised to reflect new demands of process-based audit and ISO 9001:2015

Improving service delivery
- Develop and trial self-administered arrangements.
  - Commence trial of scope extension administration from July 2016
  - Initial trial completed and arrangements operational by October 2016
- Review and revise work instructions for accreditation administration.
  - Work instructions for assessment services completed by September 2016

Leadership
- Undertake work program with AACB and IIOC.
  - Projects completed and implemented by July 2017

Brand
- Evaluate the feasibility of a peer review arrangement for product certification.
  - Evaluation completed for decision by December 2017
  - Implementation in CodeMark by June 2017
INTERNAL: STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

The chief focus of JAS-ANZ’s internal-focused activities is the continual improvement of internal processes to achieve optimum client and stakeholder outcomes.

GOVERNANCE, RISK AND COMPLIANCE

Governance, risk and compliance provides the most useful model for sound management of JAS-ANZ and its accreditation system. Currently tools are in place for recording, analysing and managing the main governance, risk and compliance conditions. Under this SCI, our aim is to further develop this capability and reach a level of maturity that ensures:

- Objectives are aligned with JAS-ANZ’s external environment;
- Explicit understanding that the system operates within all legal, contractual, internal, social and ethical boundaries;
- Relevant, reliable and timely information can be delivered to appropriate stakeholders; and
- Measurement of system performance and effectiveness.

A formal legal compliance audit will be undertaken as one of the main contributing projects towards further enhancement of our governance, risk and compliance system.

PEOPLE

Provision has been made to expand the range of capabilities available to JAS-ANZ. Our current focus is on expanding the sector manager pool to ensure alignment with external interests. We expect to add a data administration function to develop previous work on how data in the JAS-ANZ register can be used to assist client and stakeholder understanding of the certification market.

Contractors provide access to skills and expertise that enhance system capability and support growth. The demand for contractors continues to rise. As such, development of a contractor management framework is essential to provide a clear, standardised approach to the same. A fundamental element of the contractor management framework is validation, verification and management of the competence of contracted assessment team members. Support for contractors will continue to be provided through the JAS-ANZ dedicated service portal and a program of workshops.
ESTIMATES OF CONTRACTOR PORTFOLIO

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Assessors</th>
<th>Technical Experts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2016</td>
<td>31</td>
<td>72</td>
</tr>
<tr>
<td>Dec 2016 (forecast)</td>
<td>35</td>
<td>77</td>
</tr>
<tr>
<td>Dec 2017 (forecast)</td>
<td>40</td>
<td>83</td>
</tr>
<tr>
<td>Dec 2018 (forecast)</td>
<td>45</td>
<td>85</td>
</tr>
<tr>
<td>Dec 2019 (forecast)</td>
<td>50</td>
<td>90</td>
</tr>
</tbody>
</table>

RESOURCING: KEY AREAS OF FOCUS

<table>
<thead>
<tr>
<th>Role</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>WaterMark</td>
<td>Technical expert</td>
</tr>
<tr>
<td></td>
<td>Australia</td>
</tr>
<tr>
<td>RTAC</td>
<td>Technical expert</td>
</tr>
<tr>
<td></td>
<td>Australia and New Zealand</td>
</tr>
<tr>
<td>FSMS</td>
<td>Assessor</td>
</tr>
<tr>
<td></td>
<td>Australia, India and New Zealand</td>
</tr>
<tr>
<td>Personnel</td>
<td>Lead assessor</td>
</tr>
<tr>
<td></td>
<td>Australia</td>
</tr>
<tr>
<td>Product</td>
<td>Assessor</td>
</tr>
<tr>
<td></td>
<td>Australia</td>
</tr>
</tbody>
</table>
**MARKETING COMMUNICATIONS**

To increase our marketing communications reach, we have developed a social media strategy that will launch in 2016/17. Social media is an accessible means of strengthening existing relationships within our network and building new linkages. As part of our effort to build greater brand awareness, JAS-ANZ aims to offer better client support and broaden feedback from the market to substantiate this effort. Importantly, social media provides us with the opportunity to use a variety of channels to reach existing community interests in standards and product conformity.

**SUMMARY OF INTERNAL-CENTERED STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17**

<table>
<thead>
<tr>
<th><strong>Governance, risk and compliance</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand the application of risk management systems as a primary tool for governance and management.</td>
<td>System expanded to deal with the organisation’s need for:</td>
</tr>
<tr>
<td></td>
<td>• Governance, risk and compliance</td>
</tr>
<tr>
<td></td>
<td>• Contracting</td>
</tr>
<tr>
<td></td>
<td>• Issues management</td>
</tr>
<tr>
<td>Complete legal audit of policies and procedures.</td>
<td>• Audit completed by December 2016</td>
</tr>
<tr>
<td></td>
<td>• Any identified issues dealt with by March 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>People</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop systems administration capability.</td>
<td>• Position defined and commenced by December 2016</td>
</tr>
<tr>
<td>Develop and implement a contractor management framework.</td>
<td>• Completion of a contractor management framework by December 2016</td>
</tr>
<tr>
<td>Develop a contract capability and performance framework.</td>
<td>• Launch of contract capability and performance framework in 2017</td>
</tr>
<tr>
<td>Establish resource analysis and forecasting capabilities.</td>
<td>• Complete first stage model for projecting resourcing needs by March 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Marketing communications</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement style guide and communications framework.</td>
<td>• Style guide and blogging capabilities to be implemented by October 2016</td>
</tr>
<tr>
<td>Launch social media channels and mobile-friendly solutions.</td>
<td>• Complete social media presence by December 2016</td>
</tr>
<tr>
<td>Increase collaboration between JAS-ANZ and its stakeholders.</td>
<td>• Data reports to be released quarterly from July 2016</td>
</tr>
<tr>
<td>Implement multilingual capabilities for online communications.</td>
<td>• Multilingual capability on website by December 2017</td>
</tr>
<tr>
<td></td>
<td>• Online support and education materials to be available by June 2018</td>
</tr>
</tbody>
</table>
LEARNING AND GROWTH: STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

Learning and growth is concerned with infrastructural development that will enable the levels of performance and outcomes JAS-ANZ aims to achieve. This section emphasises the possibilities for workflow and information processing automation through investment in information systems.

INFORMATION

The focus for the year ahead is implementation of SharePoint improvements. The additional functionality will allow JAS-ANZ to improve knowledge management across the organisation and enhance communication with accredited bodies.

Other projects for this period include implementation of an application to support assessment scheduling together with improved systems integration and navigation.

A refresh of the core IT infrastructure will be completed. This will use some cloud-based services and provide increased processing speeds. Distribution of server capability between Australia and New Zealand offices greatly reduces service failure risks and improves our business continuity.

LEARNING AND DEVELOPMENT

Learning and development is a core capability for the organisation. Its value comes from developing skills and competencies within the organisation as well as contributing to performance improvement in certification.

A learning and development strategy will be implemented that provides for:

- Needs analysis;
- Design and development of training resources; and
- Delivery of training through methods such as e-learning, self-directed learning, group learning and webinars.

The strategy will include a competency framework that outlines identified skills and knowledge, including:

- Corporate induction;
- Policy and operational information;
- Generic and technical assessment competence; and
- Scheme-specific requirements.

The competency framework will then inform training plans by sector, scheme and group.
## SUMMARY OF LEARNING AND GROWTH-CENTERED STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

### Learning and development

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete a program and sector needs analysis and priorities list.</td>
<td>Learning and development strategy complete and submitted to the Board by August 2016</td>
</tr>
<tr>
<td>Build a suite of tailored training packages and modules, including a variety of supporting materials such as video, interactive e-learning and webinars.</td>
<td>Complete a prioritised suite of training resources based on needs analysis by January 2017</td>
</tr>
<tr>
<td>Implementation of in-house instructional design capability for the design and delivery of training resources.</td>
<td>Updated Learning Management Systems (LMS) and completed staff introduction, professional development model and plans to be implemented by June 2017</td>
</tr>
</tbody>
</table>

### Information systems

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry out upgrade to the JAS-ANZ IT infrastructure.</td>
<td>JAS-ANZ IT infrastructure to be upgraded by July 2016</td>
</tr>
<tr>
<td>Upgrade current intranet system to SharePoint 2013.</td>
<td>Transition to SharePoint 2013 to be complete by January 2017</td>
</tr>
<tr>
<td>Develop and implement an assessment-scheduling tool for services team.</td>
<td>Scheduling tool implementation by July 2017</td>
</tr>
</tbody>
</table>
FIGURE 5: JAS-ANZ STRATEGY

Financial stewardship
- Financial services
  - Resource management
  - Cost control
  - Reserves management
  - Internal investment

Stakeholder engagement
- Accredited bodies
  - Scheme owners
  - Business users
  - Consumers
  - Governments
  - Partners and collaborators

Delivering value to clients
- Accreditation services
  - Leadership
  - Brand-building

Internal systems and processes
- Competitive advantage
  - Essential services
  - Strategic support
  - Transformation and improvement

Learning and growth
- Human capital
  - Information capital
  - Organisational capital

Accredited bodies and scheme owners
- Risk transfer
- Reduced transaction costs
- Credibility boost

Business users and consumers
- Better information decisions
- Wider range of goods and services

Accredited bodies and scheme owners
- Reduced TBT
- Trade gains
- Capacity building

Delivering long-term system value
The accreditation body of choice
FINANCIAL: STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

JAS-ANZ has maintained effective financial management as a self-funded, not-for-profit, fee-for-service organisation.

FINANCIAL OBJECTIVES

JAS-ANZ financial planning is based on a sustainable financial model based on three key principles, being to:

1. Meet the organisation’s costs.
2. Take account of guidelines established by both Australian and New Zealand Governments when setting fees.
3. Apply a risk premium to activities that have a higher than average cost profile (ranging from 0–15%).

On this basis, it is expected that JAS-ANZ will operate on terms that ensure:

- There are sufficient reserves to meet future liabilities or shocks;
- Both the Australian and New Zealand Governments are insulated from any claims arising from operations; and
- There can be continued investment in capacity-building.

FINANCIAL STEWARDSHIP

The Board has achieved its objective of an operating surplus equivalent to six months of operating revenue. This level will be maintained and we see no factors in our environment that suggest there is any merit in holding further reserves.

Looking to the future financial circumstances of the accreditation system, we see opportunity to expand the range of services provided by extending these to certified organisations.

INVESTMENT

This year, JAS-ANZ will develop a comprehensive analysis and project plan for development of an information services suite that can be offered to certified organisations. In undertaking this, we aim to develop a new e-commerce subscription.

The basis for this will be a low-cost annual subscription to information services that are valued by certified organisations.

We see this as contributing to a more diverse funding base and leading to a more sustainable financial position for JAS-ANZ. Importantly, it also has great potential to improve systems performance by involving certification service users in performance monitoring.

A summary of JAS-ANZ strategy and associated core stakeholders and outcomes is outlined in Figure 5 on page 38.

SUMMARY OF FINANCIAL-CENTERED STRATEGIES, OBJECTIVES AND FOCUS FOR 2016/17

| Maintain operations within forecast budget and overall financial objectives. | Outcome verified at end-of-financial-year audit |
| Complete business case analysis for information services to be offered to certified organisations. | Business case completed and presented to Board by December 2016 |

FINANCIAL PLAN

JAS-ANZ has maintained effective financial management as an unfunded, not-for-profit, fee-for-service organisation. The introduction of new revenue-producing schemes, additional CABs and continued growth of certificates has resulted in modest operating surpluses. Such surpluses enable further investment in accreditation services.

JAS-ANZ’s forecast financial performance through to 2018/19 is expected to return a similarly favourable result, supporting further increased employment and investment in systems. The general outline of JAS-ANZ’s projected financial performance for the next three years is outlined in the following forecasts for:

1. Profit and loss
2. Balance sheet
3. Cash movements
## FORECAST PROFIT AND LOSS AT 30 JUNE

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>BUDGET 2015/16</th>
<th>BUDGET 2016/17</th>
<th>BUDGET 2017/18</th>
<th>BUDGET 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading income (programs)</td>
<td>6,404,657</td>
<td>6,768,004</td>
<td>6,908,294</td>
<td>7,039,437</td>
</tr>
<tr>
<td>Direct cost recovered</td>
<td>185,400</td>
<td>250,000</td>
<td>257,500</td>
<td>265,225</td>
</tr>
<tr>
<td>Trading income (other)</td>
<td>185,000</td>
<td>285,000</td>
<td>305,000</td>
<td>305,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>6,775,057</td>
<td>7,303,004</td>
<td>7,470,794</td>
<td>7,609,662</td>
</tr>
<tr>
<td><strong>COST OF SALES</strong></td>
<td>1,074,342</td>
<td>1,427,470</td>
<td>1,492,066</td>
<td>1,559,688</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>5,700,715</td>
<td>5,875,534</td>
<td>5,978,728</td>
<td>6,049,974</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Finance</td>
<td>133,550</td>
<td>127,303</td>
<td>132,771</td>
<td>138,490</td>
</tr>
<tr>
<td>2. Membership</td>
<td>195,084</td>
<td>201,646</td>
<td>204,003</td>
<td>206,478</td>
</tr>
<tr>
<td>3. Marketing</td>
<td>151,650</td>
<td>136,500</td>
<td>113,500</td>
<td>113,500</td>
</tr>
<tr>
<td>4. Information systems</td>
<td>395,730</td>
<td>378,903</td>
<td>372,894</td>
<td>373,103</td>
</tr>
<tr>
<td>5. Office and amenities</td>
<td>189,614</td>
<td>174,053</td>
<td>178,283</td>
<td>182,721</td>
</tr>
<tr>
<td>6. Professional fee and service</td>
<td>163,045</td>
<td>109,636</td>
<td>110,618</td>
<td>111,649</td>
</tr>
<tr>
<td>7. Learning and development</td>
<td>162,132</td>
<td>188,245</td>
<td>184,393</td>
<td>185,575</td>
</tr>
<tr>
<td>8. Travel and accommodation (secretariat)</td>
<td>138,226</td>
<td>142,373</td>
<td>146,644</td>
<td>151,043</td>
</tr>
<tr>
<td>9. Rent and occupancy</td>
<td>323,326</td>
<td>307,276</td>
<td>316,495</td>
<td>325,989</td>
</tr>
<tr>
<td>11. Governance</td>
<td>296,520</td>
<td>363,446</td>
<td>305,615</td>
<td>328,039</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>5,465,165</td>
<td>5,521,166</td>
<td>5,553,170</td>
<td>5,690,582</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS</strong></td>
<td>235,550</td>
<td>354,368</td>
<td>425,558</td>
<td>359,392</td>
</tr>
</tbody>
</table>
### FORECAST BALANCE SHEET AT 30 JUNE

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>BUDGET 2015/16</th>
<th>BUDGET 2016/17</th>
<th>BUDGET 2017/18</th>
<th>BUDGET 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash accounts</td>
<td>3,589,472</td>
<td>3,908,465</td>
<td>4,335,752</td>
<td>4,729,084</td>
</tr>
<tr>
<td><strong>Pre-payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total pre-payments</td>
<td>653,189</td>
<td>685,848</td>
<td>720,141</td>
<td>756,148</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total accounts receivable</td>
<td>1,411,470</td>
<td>1,521,459</td>
<td>1,556,415</td>
<td>1,585,346</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total furniture and fittings</td>
<td>14,272</td>
<td>14,272</td>
<td>14,272</td>
<td>14,272</td>
</tr>
<tr>
<td><strong>Computer equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total computer equipment</td>
<td>103,905</td>
<td>68,905</td>
<td>33,905</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>239,779</td>
<td>239,779</td>
<td>239,779</td>
<td>239,779</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>6,012,087</td>
<td>6,438,728</td>
<td>6,900,264</td>
<td>7,324,629</td>
</tr>
</tbody>
</table>
## FORECAST BALANCE SHEET AT 30 JUNE (CONTINUED)

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>BUDGET 2015/16</th>
<th>BUDGET 2016/17</th>
<th>BUDGET 2017/18</th>
<th>BUDGET 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GST liability (AUS)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GST liability (NZ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GST liability (NZ)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Accounts payable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total accounts payable</td>
<td>506,931</td>
<td>532,345</td>
<td>516,304</td>
<td>529,147</td>
</tr>
<tr>
<td><strong>Payroll liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total payroll liabilities</td>
<td>552,715</td>
<td>565,298</td>
<td>581,326</td>
<td>595,666</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total provisions</td>
<td>616,801</td>
<td>647,641</td>
<td>680,023</td>
<td>714,024</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total provisions (non-current)</td>
<td>68,734</td>
<td>72,171</td>
<td>75,779</td>
<td>79,568</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>3,332</td>
<td>3,332</td>
<td>3,332</td>
<td>3,332</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,748,513</td>
<td>1,820,787</td>
<td>1,856,764</td>
<td>1,921,737</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td>BUDGET 2015/16</td>
<td>BUDGET 2016/17</td>
<td>BUDGET 2017/18</td>
<td>BUDGET 2018/19</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>4,263,575</td>
<td>4,617,942</td>
<td>5,043,500</td>
<td>5,402,892</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>4,028,025</td>
<td>4,263,575</td>
<td>4,617,943</td>
<td>5,043,501</td>
</tr>
<tr>
<td>Current earnings</td>
<td>235,550</td>
<td>354,367</td>
<td>425,558</td>
<td>359,392</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>4,263,575</td>
<td>4,617,942</td>
<td>5,043,501</td>
<td>5,402,893</td>
</tr>
</tbody>
</table>
### Forecast Cash Movements at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Budget 2015/16</th>
<th>Budget 2016/17</th>
<th>Budget 2017/18</th>
<th>Budget 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>3,257,897</td>
<td>3,589,472</td>
<td>3,908,465</td>
<td>4,335,752</td>
</tr>
<tr>
<td>Add: Operating profit / (loss)</td>
<td>235,550</td>
<td>354,367</td>
<td>425,558</td>
<td>359,392</td>
</tr>
<tr>
<td>Add: Non-cash items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Depreciation</td>
<td>45,000</td>
<td>45,000</td>
<td>45,000</td>
<td>-</td>
</tr>
<tr>
<td>• Decrease/ (increase) in pre-payments</td>
<td>(31,104)</td>
<td>(32,659)</td>
<td>(34,292)</td>
<td>(36,007)</td>
</tr>
<tr>
<td>• Decrease/ (increase) in debtors</td>
<td>17,417</td>
<td>(109,989)</td>
<td>(34,956)</td>
<td>(28,931)</td>
</tr>
<tr>
<td>• Decrease/ (increase) in fixed assets</td>
<td>(10,000)</td>
<td>(10,000)</td>
<td>(10,000)</td>
<td>33,905</td>
</tr>
<tr>
<td>• Increase/ (decrease) in other creditors</td>
<td>25,322</td>
<td>12,583</td>
<td>16,028</td>
<td>14,340</td>
</tr>
<tr>
<td>• Increase/ (decrease) in trade creditors</td>
<td>16,746</td>
<td>25,414</td>
<td>(16,041)</td>
<td>12,843</td>
</tr>
<tr>
<td>• Increase/ (decrease) in provisions</td>
<td>29,371</td>
<td>30,840</td>
<td>32,382</td>
<td>34,001</td>
</tr>
<tr>
<td>• Increase/ (decrease) in non-current liabilities</td>
<td>3,273</td>
<td>3,437</td>
<td>3,609</td>
<td>3,789</td>
</tr>
<tr>
<td><strong>Net Cash Movement</strong></td>
<td><strong>331,575</strong></td>
<td><strong>318,992</strong></td>
<td><strong>427,287</strong></td>
<td><strong>393,332</strong></td>
</tr>
<tr>
<td></td>
<td>3,589,472</td>
<td>3,908,465</td>
<td>4,335,752</td>
<td>4,729,084</td>
</tr>
</tbody>
</table>
BUDGET FORECAST ASSUMPTIONS

The actual performance of JAS-ANZ could be affected by a number of business risks that may vary significantly from the Governing Board’s expectations. Some of these risks apply to business generally and include changes in macroeconomic conditions, movements in interest rates and foreign exchange rates, changes in taxation law and accounting practices, industrial disputes, litigation and competitor initiatives.

Economic factors

Changes in economic conditions in Australia, New Zealand or internationally may impact the fundamentals upon which the projected growth or cost structures and surplus reserves will rely. Adverse changes are outside JAS-ANZ’s control and may result in material impacts on the business or its operating results. Any prolonged economic stagnation will potentially see the number of certified bodies—and therefore, certificate numbers—fall. The stabilisation of certificate numbers over the past three years can be attributable to the renewal of past accreditation rather than new certificate applications or accreditation of new certification bodies. The annual revenue for new applications has declined significantly over the past three years.

Foreign exchange rate risk

Although JAS-ANZ is not heavily exposed to interest rate movements, it does have an exposure to foreign exchange rates. As more revenue is being generated from international jurisdictions, such as India and China, the impact of foreign exchange movements is becoming significant. A continual high AUD$, however, will eventually force international CABs to consider the costs of JAS-ANZ services against potential local and other international competitors.

Regulatory risk

Changes in relevant taxes, legal and administrative regulation and government policies in Australian, New Zealand and international contexts may adversely affect JAS-ANZ’s financial performance. These include any changes in regulatory environments that JAS-ANZ services and any political changes imposed by governments regarding accreditation and certification regulations. Additional local programs are now being considered, such as energy management systems and human services delivery schemes. As such, the moderate budgeted growth in certificate fee revenue should be maintainable for the forecast period and is not heavily reliant on international revenue levels.

Financial sensitivity

Based on the current forecasts, a decline in certificate fee revenue or an increase in costs of between 2.5–5% would be necessary to result in zero annual surplus. Current expense forecasts do, however, include a number of initiatives that could be deferred or cancelled should there be a pronounced decline in revenue numbers. JAS-ANZ has six months of budgeted expenditure available as a surplus in cash reserves. This limits the possibility of any claim being made on government stakeholders for financial support and provides sufficient means to defend any contested action. It further provides the means to manage unforeseen disruptions to revenue.

INFORMATION TO BE PROVIDED

OTHER MATTERS

There are no other matters that the Governing Board considers necessary to be brought to the attention of the Australian Minister or the New Zealand Minister.

COMPENSATION

There are no activities for which the Governing Board seeks compensation from either the Australian or New Zealand Minister.