



ANNUAL REPORT 2020-21

HELPING MARKETS WORK BETTER

27 September 2021

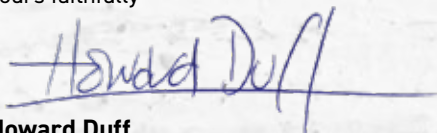
The Hon Angus Taylor MP
Acting Minister for Industry, Science, and Technology
House of Representatives
Parliament House
Canberra ACT 2600
AUSTRALIA

The Hon Dr David Clark
Minister of Commerce and Consumer Affairs
The Beehive
Parliament Buildings
Wellington
NEW ZEALAND

Dear Ministers

I am pleased to submit to you the Annual Report for the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) for the year ending 30 June 2021.

Yours faithfully

A handwritten signature in blue ink, reading "Howard Duff", with a horizontal line drawn underneath it.

Howard Duff

JAS-ANZ Chair
Joint Accreditation System of Australia and New Zealand (JAS-ANZ)

ABBREVIATIONS

AACB	Association of Accredited Certification Bodies
AB	Accredited Body
ABCB	Australian Building Codes Board
AI	Artificial Intelligence
APAC	Asia Pacific Accreditation Cooperation
APLAC	Asia Pacific Laboratory Accreditation Cooperation
ARB	Accreditation Review Board
AMS	Asset Management Scheme
AQA	Approved Quality Auditor
ASC	Aquaculture Stewardship Council
AUS	Australia
BRCGS	Brand Reputation through Compliance Global Standard (Scheme)
CB	Certification Body
CAB/CABs	Conformity Assessment Body/Bodies
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CESA	Consumer Electronics Suppliers' Association
DDoS	Distributed Denial of Service (cyber-attack)
DESE	Department of Education, Skills and Employment
DISER	Department of Industry, Science, Energy and Resources
EMS	Environmental Management Systems
EU	European Union
FOI	Freedom of Information Act (Commonwealth)
FSSC	Food Safety System Certification
GDPR	General Data Protection Regulation
GFSI	Global Food Safety Initiative
GHG	Greenhouse Gas
IAF	International Accreditation Forum
(IAF) MD	(International Accreditation Forum) Mandatory Document
ICA	(National) Interstate Certification Assurance
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
IECEE	IEC System of Conformity Assessment Schemes for Electrotechnical Equipment and Components
IECQ	IEC Quality Assessment System for Electronic Components
IECRE	IEC System for Certification to Standards Relating to Equipment for Use in Renewable Energy Applications

IECEX	IEC System for Certification to Standards Relating to Equipment for Use in Explosive Atmospheres
IFS	International Featured Standards (Scheme)
ILAC	International Laboratory Accreditation Cooperation
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technology
JAS-ANZ	Joint Accreditation System of Australia and New Zealand
JFS-C	Japan Food Safety Certification (Scheme)
MBIE	Ministry of Business, Innovation, and Employment (NZ)
MoU	Memorandum of Understanding
MPI	Ministry for Primary Industries (NZ)
MRA	Mutual Recognition Arrangement
NATA	National Association of Testing Authorities
NDIS	National Disability Insurance Scheme
NDIS AQA	NDIS Approved Quality Auditors Scheme
NZ	New Zealand
OHS	Occupational Health and Safety System (Scheme)
OHSAS	Occupational Health and Safety Assessment Series
OH-SMS	Occupational Health and Safety Management System
PAC	Pacific Accreditation Forum
PEFC	Programme for the Endorsement of Forest Certification
PHA	Plant Health Australia
PHAC	Plant Health Assurance Certificate
PRG	Product Reference Group
PPE	Personal Protective Equipment
QMS	Quality Management Systems
SCI	Statement of Corporate Intent
SISO	(Commonwealth) Support for Industry Service Organisations
SQF	Safe Quality Food
TAC	Technical Advisory Council
TC2	Technical Committee 2
TRF	Technical Report Forms
UC	University of Canberra
WHS	Workplace Health and Safety



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01

A YEAR IN REVIEW

THIS SECTION PRESENTS AN OVERVIEW OF JAS-ANZ AND REPORTS BY THE CHAIR AND CHIEF EXECUTIVE SUMMARISING PROGRESS AGAINST OUR OBJECTIVES.

- About JAS-ANZ
- JAS-ANZ Snapshot
- Chair's Introduction
- CEO Report

ABOUT JAS ANZ

The Australian and New Zealand governments established the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) in 1991 under a joint agreement to strengthen the trading relationship between the two countries and with other countries.

The agreement established JAS-ANZ to operate a joint accreditation system and to deliver on 4 goals:

- Maintain a joint accreditation system that will give users in Australia and New Zealand confidence that goods and services certified (or inspected) by accredited bodies meet established standards.
- Obtain and maintain acceptance by Australia's and New Zealand's trading partners for:
 - management systems of Australian and New Zealand producers
 - goods and services exported from Australia and New Zealand.
- Establish links with relevant bodies whose function is to:
 - establish or recognise standards in relation to goods and services, including conformity assessment services, or undertake or provide for conformity assessment.
- Obtain mutual recognition and acceptance of conformity assessment with relevant bodies in other countries.

The organisation comprises:

- the Governing Board, which is appointed by the Australian and New Zealand governments
- the TAC, which advises the Governing Board on the operation of the joint accreditation system
- the ARB, which is responsible for granting, maintaining, extending, reducing, suspending, and withdrawing accreditation.

JAS-ANZ operates on a not-for-profit basis. JAS-ANZ has a secretariat of 35 employees to assist the Governing Board to fulfil its obligations.

JAS-ANZ recognises 135 public and proprietary schemes, organised under five programs:

- management systems certification
- product certification
- personnel certification
- inspection
- validation and verification.

JAS-ANZ operates as part of an international network of organisations providing similar accreditation services.

Accredited certification and inspection of products, processes, and people, have many flow-on benefits for business, consumers, regulators, and government including:

- reduced compliance cost
- reduced risk
- streamlined operations
- better access to foreign markets by eliminating barriers to trade
- assurance that goods and services sold are safe and can be used for their intended purpose.

In the first instance, the service provided by JAS-ANZ allows accredited certification and inspection bodies to:

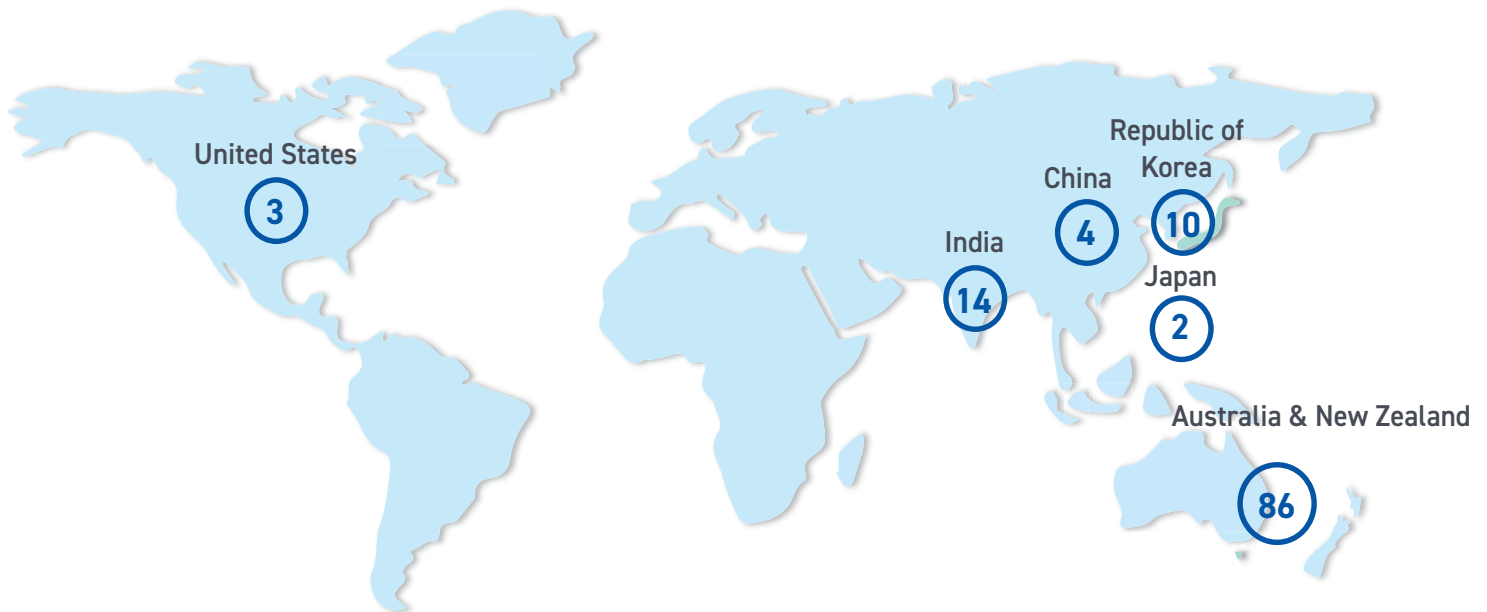
- highlight their competence
- demonstrate their independence
- gain international recognition.

Accreditation is a symbol of assurance—an asset. The JAS-ANZ symbol is a mark of quality and reliability. It flags that a certifier or inspector can be relied on to impartially determine if organisations, products, and people meet standards.

JAS-ANZ Snapshot

Between 1 July 2020 to 30 June 2021 the accreditation system operated under constrained conditions. While there were significant adjustments made to service delivery the principal measures we use to assess the general performance of the accreditation system remained positive throughout the year.

KEY MARKETS IN 2021



NUMBER OF CABS 135

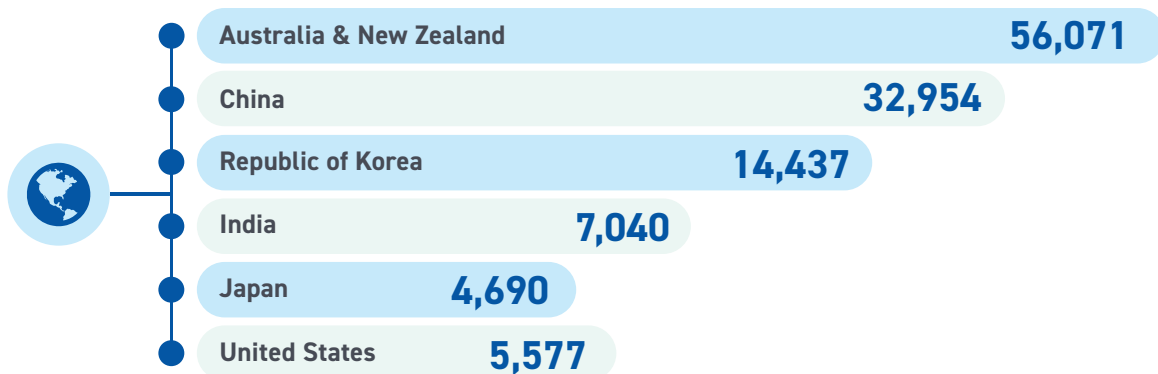
135
Schemes



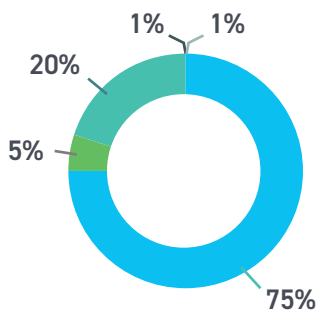
> 150,800
Certs



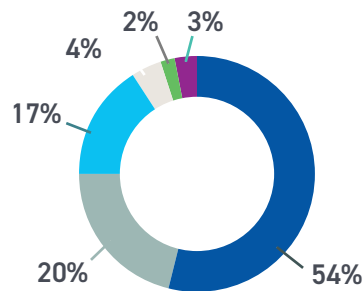
Key Markets in Certificate Numbers in 2021



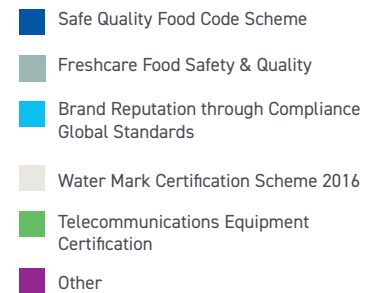
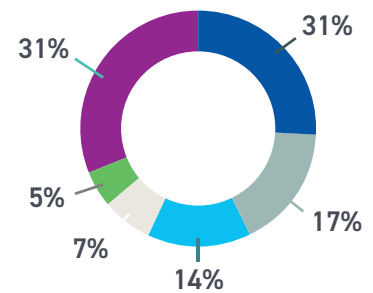
Revenue by Program



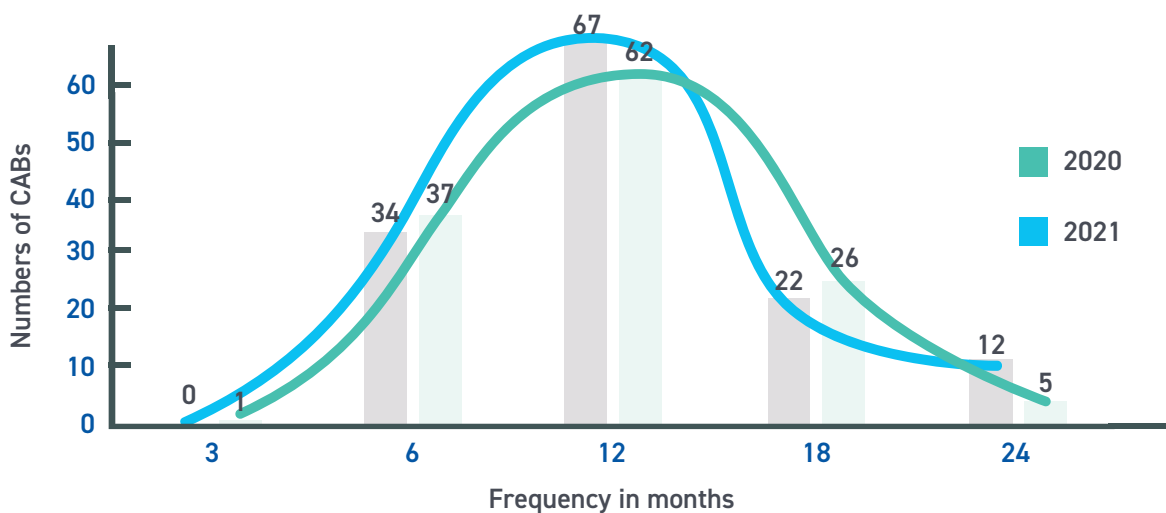
Management System Certificates



Product Certification Certificates



The Assessment Frequency of JAS-ANZ Accredited CABs



CHAIR'S INTRODUCTION

The 2021 Annual Report reflects the work undertaken by JAS-ANZ to maintain a stable accreditation system in the region despite the uncertainty that the Covid-19 pandemic created. I would like to acknowledge the efforts and creativity of the JAS-ANZ Secretariat over the past year. As the world came to grips with the chaos created by the pandemic, their endeavours helped maintain trust in the joint Australian and New Zealand accreditation system. Also, the team's actions in developing remote assessment solutions have opened possibilities to revise our service delivery model. I will be guiding the board and management to ensure that these new approaches improve reliability and effectiveness for users of accredited certification.

While there were significant departures from the planned work program to the year 2020–21, it is worth noting that several of the planned improvement initiatives were completed at the same time as the delivery of assessment services. An example of one of these planned initiatives was the launch of the Accelerate Training Academy in August. The training services provided by the Academy are another way for the accreditation system to support improved performance and outcomes.

This year JAS-ANZ underwent a Peer Evaluation program. These are held every four years and the outcome of the current evaluation is expected to be formalised in a ballot of the Asia Pacific Accreditation Cooperation (APAC) Council members later in 2021. I would like to thank the JAS-ANZ team for their work in the review process.

JAS-ANZ continued its involvement in the international forums that coordinate accreditation across the globe: International Accreditation Forum (IAF), International Accreditation Cooperation (ILAC), and Asia Pacific Accreditation Cooperation (APAC). In addition to numerous working groups that we contribute to, JAS-ANZ currently convenes the Technical Committees in IAF and APAC and participates in their respective Executive Committees.

As required by the Treaty, there are three governance bodies that oversee the accreditation system: JAS-ANZ's Governing Board, Technical Advisory Council (TAC) and Accreditation Review Board (ARB).

Engagement with the TAC as a set of stakeholder interests has provided valuable insight and support in working through adjustments to operations over the year. I would like to thank Tony Evans, the TAC Chair, and the other members of the TAC for their commitment and valued input to supporting JAS-ANZ.

I also want to acknowledge the less visible but vitally important work of the ARB. Chaired by Geoff Overton, the ARB actively ensures the integrity of accreditation decision-making.

This year I am pleased to welcome three new board members: Alison Drury, Steve McCutcheon, and Jacqui Wilkins. The skills and backgrounds of these new board members complement those of the existing members and provide a good mix of business leaders with end-user experience as well as people with technical expertise in the accreditation industry.

The audited accounts accompanying this report highlight that the accreditation system generated an abnormal financial surplus throughout the year. This result, which was forecast early in the year, was due to the changes made to service delivery resulting from travel and on-site restrictions imposed by the Covid-19 pandemic and the deferral of some improvement activity. It is intended to apply this abnormal surplus to a series of capacity-building projects that will increase the value and performance of the joint Australian and New Zealand accreditation system.

In the coming year we will continue to monitor the impact of Covid-19, as well as other external factors such as changes in CAB ownership and the trends in the use of management system certification and its impact on revenues from certificate numbers. I am confident that JAS-ANZ retains sufficient capacity to adapt to any changes in our environment that may affect financial performance while we continue to provide a trusted presence during these turbulent times.



Howard Duff
JAS-ANZ Chair

CHIEF EXECUTIVE'S REPORT

This Annual Report covers activity undertaken by JAS-ANZ from 1 July 2020 to 30 June 2021. It addresses the performance and undertakings given in the relevant Statement of Corporate Intent.

We did not submit the SCI 2020-23 in May 2020. At that time, we could not rely on the supporting assumptions to prepare a viable document. In consultation with DISER and MBIE the usual planning process was set aside to concentrate on maintaining operations during the rollout of remote assessment and surveillance methods.

A Bridging SCI covering the period 1 January 2021 to 30 June 2021 was provided at the start of 2021 to outline our intentions and provide a path to a full SCI for 2021-24.

This report covers the undertakings given in the Bridging SCI and any carried over from the SCI 2019-22.

Despite the limitations on travel and social interaction, the necessary assessment work that maintains the accreditation system was completed. Assessments are now carried out online and have been effective, with some performance improvements over on-site assessments. We attribute this to more time available for preparation and planning for assessments and the inclusion of a greater range of participants in assessment activities.

The SCI 2019-22 noted the development of assessment methods as a response to advances in technology and in pursuit of improved efficiency and effectiveness. During the past year we have re-examined the value of remote assessment and the range of assessment methods that we currently use. This will have a strong influence over our future work program. Other significant work during the year included:

- Launch of the Accelerate Training Academy in August 2020 – a major step for JAS-ANZ that closely aligns with our aim to continually improve conformity assessment outcomes.
- Work with industry and regulatory stakeholders to develop a single electrical safety scheme to service the different regulatory regimes in New Zealand, New South Wales, and the rest of Australia.
- Planning and trialling for a planned upgrade to our existing information systems services platform.

Deferred recruitment activity was recommenced in early 2021. Seven positions have since been filled to bring the staff numbers up to 35.

A peer evaluation of JAS-ANZ was undertaken in the first half of 2021 and concluded in mid-July. This is a condition of our recognition as part of the International Accreditation Forum (IAF) through the regional Asia Pacific Accreditation Cooperation (APAC) Mutual Recognition Arrangement (MRA). The peer evaluation has focused on our compliance with the conditions for recognition and our delivery of assessment services.

James Galloway



James Galloway
Chief Executive



02

MEETING OUR OBJECTIVES

THIS SECTION PRESENTS AN OVERVIEW OF JAS-ANZ'S PROGRESS AGAINST OUR STATEMENT OF CORPORATE INTENT FROM 1 JULY 2020 TO 30 JUNE 2021. IT PROVIDES INFORMATION ABOUT HOW WE HAVE PERFORMED AGAINST OUR OBJECTIVES.

1. Improving CAB Performance.
2. Developing a Portfolio of Viable Schemes.
3. Engaging Certified Organisations.
4. Management Systems and Quality.
5. Product Certification.
6. Building a Global Profile.
7. Protecting Brand and Identity.
8. Responding to Technology.

1 IMPROVING CAB PERFORMANCE

The core work program of accreditation is our assessment and surveillance of Conformity Assessment Bodies (CABs). In 2020–21 we anticipated a modest increase in activity in response to demand; however, travel restrictions and social isolation had a major impact on our ability to undertake the full program throughout the year.

The projected surveillance and witnessing programs were reduced. Nonetheless, we remain confident that the reliability of the accreditation system has been maintained.

ASSESSMENT PROGRAM

Despite the challenges of adjusting to remote assessment, the assessment program was completed successfully.

The number of re-accreditation assessments decreased in 2020–21 compared to 2019–20 due to this being a simple rolling program based on the anniversary of the initial accreditation. The assessment effort was not significantly reduced because more time was allocated to assessment planning and to the assessment process under remote technologies. Initial assessments increased in 2020–21 compared to 2019–20 partially because the number of CABs in the National Disability Insurance Scheme (NDIS) health sector and the number of CABs in China increased.

Witnessing, which involves observing an auditor undertaking an audit at a client's premises, was halted as lockdown arrangements were introduced.

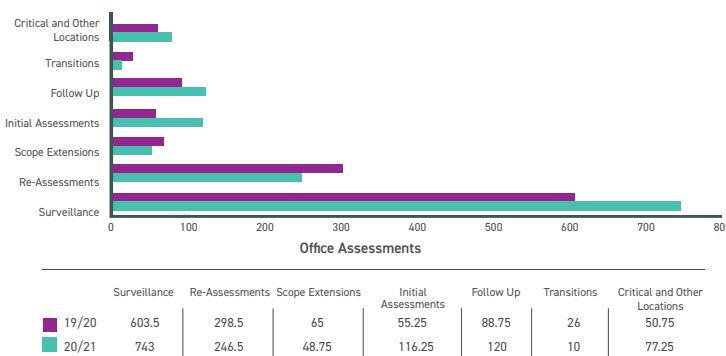
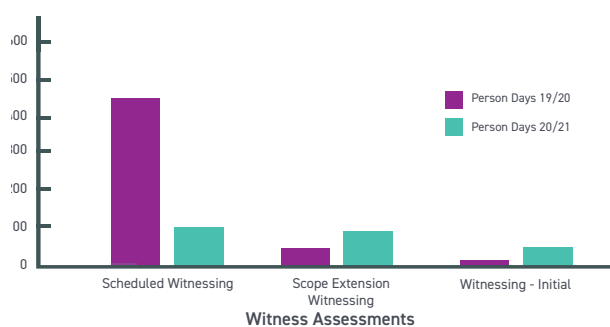
Despite the reduced volume of activity, the level of effort increased due to additional planning and preparation time applied

to remote surveillance. Scope extensions reduced by 25 per cent and transitions dropped by 61 per cent, reflecting the reduction in changes to schemes initiated by scheme owners.

The changes in our routine activities in 2020 prompted us to examine the merits of our assessment program. In comparison to previous years, we noted the following gains:

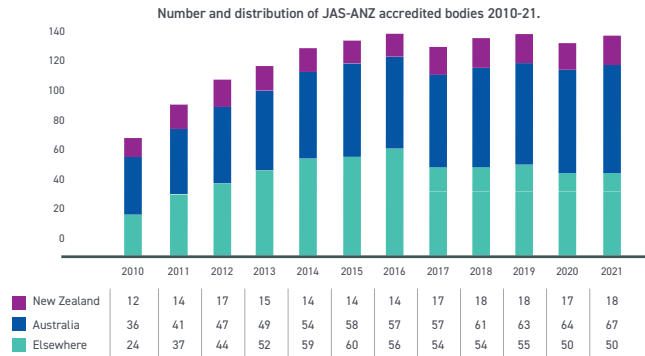
- more time could be allocated to preparing and planning for the assessment
- a wider range of participants could be on the assessment team
- the organisation being assessed would experience less disruption
- the cost of assessments would be reduced
- unproductive travel time would be eliminated.

We have concluded that remote assessments were at least as effective as on-site assessments and should form a standard part of our future assessment methodology.



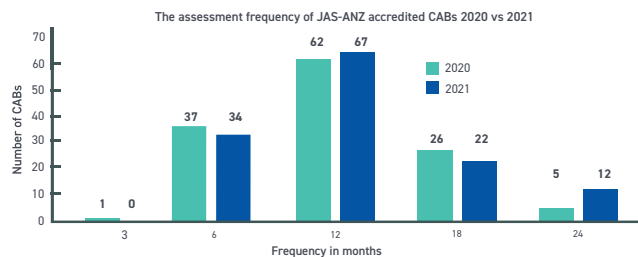
CAB PERFORMANCE

The number of CABs under JAS-ANZ accreditation increased by four during the year. Three of these were in Australia and one in New Zealand; this is within the range of expected fluctuations in CAB numbers, and they were successfully processed under remote assessment.



During the year, CABs were assessed against a set of performance measures to determine the frequency of their future assessment program.

In general, a CAB that performs better tends to have a reduced assessment frequency based on its risk profile and performance during the preceding 12 months. In the last 12 months JAS-ANZ has been able to reduce the frequency of surveillance because CABs are generally performing better. No CABs are currently on a three-month surveillance frequency, and the number of certifiers that satisfied the criteria for the 24-month frequency band has increased.



The findings from assessment of CABs fall into two broad classes: Major and Minor. These differ by degree, but both represent some failure to implement and maintain accreditation criteria. The surveillance program identified 270 minor non-conformities and 39 major non-conformities.

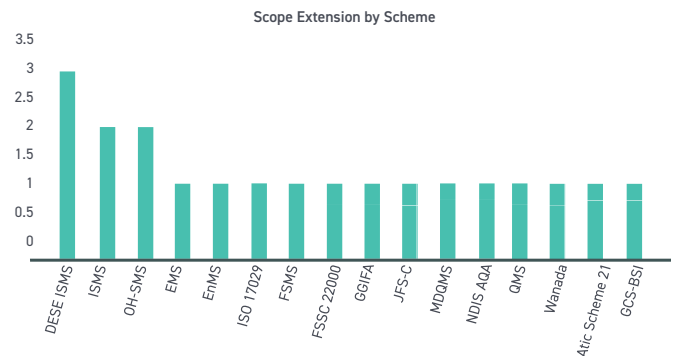
The major findings were concentrated in the management systems program and in product certification. They were concentrated in management of competency where assessment showed that auditors were used in areas that were outside their acknowledged expertise. Problems were also detected in management of the audit processes. The results of both sets of findings now need to be factored into follow-up assessments and may imply a need for these areas to be targeted with additional training.

SCHEME SCOPE EXTENSIONS AND TRANSITIONS

Between 1 July 2020 and 30 June 2021 there were 20 scheme scope extensions processed across five sectors. Seventy per cent of these were from Australian-based CABs, there was one application from New Zealand, and the remainder were from international CABs. The applications were spread across 16 schemes. Information security was the largest with five CABs adding the standard to their services.

The number of scope of extensions is a comparatively low number compared to previous years and this is likely a further reflection of the maturity of the management systems portfolio.

One of the central tasks that JAS-ANZ carries out is to set transition pathways to bring revised schemes and standards into service while retiring outdated versions. Transitions can be global, requiring coordination with accreditation systems throughout the world against an agreed timetable. These can take as long as three years to bring into effect. Others are domestic and less affected by the need for large-scale coordination. Sixteen transitions were successfully managed during the year (see Annex D).



The number of merger and acquisitions within the Australian market increased during the last financial year. Some larger CABs acquired smaller CABs operating in niche markets that are expected to continue growing, such as health, and this has allowed the CAB to either grow its own market share or break into a new area. So far, the merged entities have been able to integrate personnel and procedures to retain the knowledge particular to the affected schemes. Although many of the mergers and acquisitions are still being worked through, it is likely that five existing CABs will be absorbed by larger entities.

PROGRESS

The SCI 2019–22 presented activities that JAS-ANZ expected to commence in 2020 and carry over into 2021. These were not all completed, because some were not possible under conditions of restricted travel and social isolation. JAS-ANZ revised the undertakings in the Bridging SCI to focus on service delivery and a revised assessment model. We were able to deliver an effective assessment program drawn from earlier work on remote assessments. This was supported by training assessors on how to conduct remote assessments and by putting in place a comprehensive mentoring program to help assessors transition to remote work.

Detailed work instructions for using the self-evaluation mechanism (SEM) as part of the re-accreditation process are being finalised and arrangements for its use are about to be implemented. Self-declarations are continuing to be a useful assessment tool, with 46 self-declarations being processed for the addition of product standards during the year.

The terms for a research project to develop the ranking algorithm were agreed with Monash University; a research contract was finalized, and this project is now active.

Revising the assessment model to take advantage of remote methods is an extended undertaking. We have outlined what we consider that model will look like and are continuing with its development through the SCI 2021–24.

In addition to our assessment activity, JAS-ANZ met regularly with accredited bodies through the Association of Accredited Certification Bodies (AACB), an industry association representing accredited bodies across a range of programs. The AACB offers valuable opportunities to pursue common goals such as driving improvement in the performance of accredited certification.

SUMMARY

Activities	Outcomes
Deliver assessment program	Completed
Maintain focus on refinement of remote service delivery	Continuing
Incorporate self-evaluation into assessment routine	Completed
Develop ranking algorithm for certifiers	Project defined and contract in place for supporting research
Evaluate the use of self-declarations	Completed - use of declarations is to be continued and extended
Develop full descriptions of the methods we propose as part of a revised assessment model	In progress
Design and conduct trials for new assessment methods	In progress

PANDEMIC SHINES A LIGHT ON BENEFITS OF REMOTE AUDITS

Remote audits are playing an important and transformational role in traditional auditing practices, according to researchers at the University of Canterbury and Otago University, New Zealand.

For the recent study Remote auditing and assessment during the COVID-19 pandemic in New Zealand and China, researchers interviewed food supply chain firms, auditors, Conformity Assessment Bodies (CABs) and regulators from New Zealand, Australia, and China about the ongoing feasibility of remote audits and remote assessments. The term 'remote audit' refers to when a company is audited by an auditor who is not physically present on site.

Before the COVID-19 pandemic, remote audits in the food industry were relatively infrequent or were a part of contingency planning; however, during the pandemic, firms, supply chains, regulators and the public all learnt quickly how to work remotely and how to use new technologies.

JAS-ANZ also reviewed its methods and processes so that it could continue to carry out client assessments despite travel restrictions.

The research findings support JAS-ANZ's view of remote assessment, according to Dr James Galloway, Chief Executive, JAS-ANZ. "We expect remote assessments to develop as a central platform for delivery of our services over the next few years," he said. "The remote assessment approach offers huge benefits to us and our clients. We'll be able to manage and reduce costs more effectively, we'll use time more effectively and efficiently without the need to travel, and pre-assessment preparation will mean better outcomes for everyone."

CABs noted that their clients were also showing greater interest in remote auditing, according to the report. Some firms were making remote audits an internal practice and were planning to accommodate remote auditing in their management systems. Other firms and CABs were even reporting a push for 'livestream auditing'. Governments and customs offices were also becoming more interested in the possibility of remote audits.

The on-site and remote audit processes are considerably different. Apart from the lack of on-site, in-person interactions, remote audits place more emphasis on pre-audit analysis and preparation, which means that a continuous chain of activities are conducted over a longer period rather than being concentrated around the on-site visit. The study reported that firms in general preferred remote audits to on-site audits because the process was less intrusive.

The study cautioned that there were still several challenges to overcome before remote auditing and assessment practices would become fully effective and acceptable. Auditing practices,

rules, and regulations would need to be developed, amended, and revised. Concerns about associated data security and privacy risks would also need to be addressed.

Some firms were able to rapidly leverage their technologies to assist with remote audits; for example, companies that had already digitised their document and record-keeping systems. Other companies had closed circuit television (CCTV) monitoring systems that allowed auditors to observe organisational processes remotely, or internal document systems that allowed auditors to access the company's documents and records remotely.

The research showed that although there was a willingness to embrace technology to enable remote audits to take place, the technology itself was still rudimentary – for example, poor image quality in virtual walkthroughs. Lack of access to high-speed internet was a particular problem for remote audits that included multiple participants and involved smaller firms. The study noted that technology-enhanced auditing, which would use a broader set of technologies, such as sensors, DNA testing, artificial intelligence, and satellite imaging to audit remote or geospatially challenging areas, was still in its infancy.

Although remote audits and assessments would relieve auditors of the burden associated with travelling, it would increase pressure on their time scheduling and IT abilities. Auditors of the future would need to become skilled in managing AI and data analytics.

Remote audits and assessments – with their associated challenges and opportunities – are here to stay.

Pavel Castka is Professor at UC Business School, University of Canterbury, New Zealand. Prof Castka has been actively involved with standardisation committees at the International Organization for Standardization, Standards Australia, and Standards NZ. The study, funded by the New Zealand China Food Protection Network, is available in English and Mandarin from the University of Canterbury website.



Characteristics of on-site, assisted remote, remote, and technology-enhanced auditing

	On-site Auditing	Assisted Remote Auditing ¹	Remote Auditing	Technology-Enhanced Auditing
Approach	Auditor determines compliance based on the evidence that is primarily collected on-site	Same as on-site; on-site auditor is assisted by technical experts or others that operate remotely	Technology is used to replicate on-site auditing	Technology is used to assist in auditor's decision-making
Data collection	Data exchanged between clients and auditors on-site (e.g., review of hard copies, review of electronic files/databases, in-person interviews)	Data exchanged between clients and auditors on-site (e.g., review of hard copies, review of electronic files/databases, in-person interviews)	Data exchanged between clients and auditors remotely (e.g., review of scanned documents, review of cloud-based platforms, review of satellite imaging, interviews through videoconferencing)	Data exchange amongst multiple parties exchanged remotely (e.g., review of cloud-based platforms, review of social media platforms, review of data collected by technology in real-time, interview through videoconferencing)
Type of technology	Technology is secondary to the audit process (though it may be used to facilitate the process)	ICT used to communicate between on-site and remotely based auditors	ICT, such as audit/video conferencing, screen sharing is used to replicate on-site audit	Various technologies (e.g., machine learning to identify patterns, make predictions, guide decision-making; sensors collecting real-time information) are used to assist an auditor with an audit
Reliance on technology	Low Audit can be essentially performed without technology	Low/Medium Remotely based auditors need to be able to connect with on-site auditors	Medium Relies predominantly on ICT; off-line (e.g., desktop review), or real-time (e.g., e-interviews) or a combination of thereof	High Audit relies on multiple technologies
Auditor competence	Auditing competence (as specified in IAF Guidelines)	Auditing competence and ICT competence	Auditing competence and ICT competence	Auditing competence, ICT competence, and competence in Big Data Analytics

¹ Assisted Remote Audit definition by ASC: "An audit that is conducted partly remotely and partly on-site. It typically occurs when at least one auditor (not technical expert or interpreter) of the audit team is able to be on site while the rest of the team are not due to the travel restrictions. The remote auditor shall coordinate and guide the collection of evidence with the auditor on-site"

SOURCE: Castka, P.; Searcy, C.; Fischer, S. (2020). Technology Enhanced Auditing: the impact of COVID-19, Sustainability, Vol. 12 No.11, 4740.

2 DEVELOPING A PORTFOLIO OF VIABLE SCHEMES

Certification schemes are the framework within which certification occurs. A well-structured scheme provides the environment in which superior certification outcomes will be delivered. This means that the performance of the accreditation system relies as much on our approach towards the scheme portfolio as on our work undertaking assessment of conformity assessment bodies. JAS-ANZ has several roles within the scheme portfolio.

SCHEME PORTFOLIO

The scheme portfolio supported by JAS-ANZ is structured around five major program standards that define the disciplines under which each of the schemes operates. Supplementary documents published as scheme rules support the application of program standards where it is necessary to do so. The management systems scheme is the mainstay of the accreditation systems. The number of management systems certificates issued over the past few years has declined, and product certification has increased modestly.

We do not usually own or create schemes; however, we do act as the custodian of a few schemes where there is no external party able to maintain the scheme. JAS-ANZ manages schemes on behalf of the recognised owner where the scheme owner does not have the necessary capabilities to do so. We also endorse schemes after review and determining whether it can be reasonably expected to deliver its stated objectives.

Table 1: Distribution of schemes and certificates by major programs

Programs	Accreditation Standard	Schemes	Active	Inactive	Certificates
CERTIFICATION					
Management Systems	ISO/IEC 17021	29	29	-	88,985
Personnel	ISO/IEC 17024	7	7	-	74,136
Product	ISO/IEC 17065	84	73	11	56,133
OTHER					
Verification and Validation	ISO 17029	3	3	-	263
Inspection	ISO/IEC 17020	10	10	0	NA

Approximately 60 per cent of schemes are public and can be delivered by more than one certification body. These public schemes include regulatory schemes as well as global and domestic industry schemes, which are often owned by trade associations. Another group of public schemes is the widely used major management systems such as ISO 9001, although there is no identifiable owner for these schemes and JAS-ANZ is the custodian. In contrast, proprietary schemes are limited to a single service provider.

Some schemes in the current portfolio are dated and not adequately supported by their owners or are not being taken up widely enough to be considered reliable or beneficial. They are usually, but not always, proprietary schemes.

TECHNICAL SERVICES PROJECTS

During the year we undertook three technical services projects on behalf of stakeholders.

We were engaged by the Australian Department of Social Services, the Department of Health, the NDIS Quality and Safeguards Commission, and the Aged Care Quality and Safety Commission to develop mapping tools and identify linkages between the aged care and disability regulatory frameworks.

The work examined service delivery challenges for younger persons with a disability currently under care within aged care service providers. We mapped standard, scheme and legislative instrument arrangements to identify the points of alignment and divergence. We suggested the frameworks be amended to allow for consistent, transparent streamlined auditing and reporting, and we carried out 'pilot' streamlined audits. The commissioning agencies agreed that the options were feasible and were likely to improve interactions between the aged care service providers and the NDIS regulatory personnel.

A second project for the Department of Education, Skills and Employment (DESE) supported the development of an Information Security Management System (ISMS) scheme for the certification of contracted employment service providers. The project was completed in September 2020. A certification scheme based on the project was released in March 2021. The scheme is owned by DESE and is based on ISO/IEC 27001 certification with additional resources from the Australian Signals Directorate and Australian Cyber Security Centre.

Plant Health Australia (PHA) commissioned JAS-ANZ to review the national Interstate Certification Assurance (ICA) audit program. ICA was established so horticulture businesses could address biosecurity risks associated with their location and products. It supports businesses with effective systems to issue Plant Health Assurance Certificates (PHACs) to facilitate the interstate trade of horticultural products.

The review comprised six questions about the scheme and its ability to deliver on its objectives, interstate quarantine objectives, and the alignment of the scheme with international phytosanitary obligations. Relevant stakeholders were surveyed on the performance of the scheme as well as its ongoing relevance and efficiency. JAS-ANZ made 13 recommendations

in its final report. These are currently being considered by a working group of the Plant Health Committee for prioritisation and further development.

Twelve benchmarking activities were also carried out on behalf of the Global Food Safety Initiative (GFSI) and 16 assessments of local councils in New Zealand for the Ministry for Primary Industries (MPI) against the Food Act 2014.

PROGRESS

During the year we focused on preparing the groundwork for rationalising the current scheme portfolio and withdrawing from schemes that do not or cannot be developed to meet relevant performance objectives. We advised all proprietary schemes owners about the process we proposed to undertake, and we asked them to consider the effectiveness and performance of their respective schemes.

The criteria that we will apply when reviewing schemes were developed in consultation with the Technical Advisory Council (TAC). We contacted 21 proprietary scheme owners representing 29 schemes and explained the process to them. There were no significant objections to what we proposed or the criteria that we would apply.

We made progress in consolidating several electrical safety product certification schemes into a unified public scheme; this will serve as a model of consolidation in other areas. The Electrical Equipment Safety Certification (EESC) Scheme has been under development by a representative technical committee supported by JAS-ANZ. The development work is nearing completion.

We developed the terms for evaluating schemes by an independent third party. A qualified evaluation service provider was identified and engaged. An initial project was commenced and is expected to be completed during September 2021. We have budgeted for three projects each year for three years, with the focus on evaluating the outcomes for the intended beneficiaries.

We developed the proof-of-concept model for a new service delivery system and in it we specified that services to scheme owners should form part of that platform and support scheme owners in management of their schemes.

SUMMARY

Activities	Outcomes
Consult with scheme owners on re-endorsement of schemes	CAB scheme owners contacted and asked to prepare to submit a defined set of information under a scheme re-endorsement process
Develop evaluation program	A third-party evaluator has been appointed and the first evaluation is underway
Aged care service delivery	Project completed
Publish a consolidated electrical product safety scheme	The development is nearing completion (expected by December 2021)
DESE ISMS	Project completed and scheme has been introduced
National Interstate Certification Assurance (ICA) audit program	Project completed.

3 ENGAGING CERTIFIED ORGANISATIONS

Certified organisations and their clients are the intended beneficiaries of accreditation; however, feedback has consistently shown that many end-users are not well-enough informed to take the best advantage of certification.

In the SCI 2019–22 we undertook to identify the information needs of certified organisations and to develop an appropriate information package to improve their engagement with certification service providers. The work was delayed in 2020, then resumed as part of the bridging SCI with a focus on the human services sector – the National Disability Insurance Scheme (NDIS) rollout presented a compelling case for priority services.

CERTIFIED ORGANISATIONS

During the year an information model describing information needs for human service organisations was developed. This was demonstrated to stakeholders for feedback, including the NDIS Quality and Safeguards Commission, the scheme owner for the NDIS Approved Quality Auditor (AQA) Scheme, and National Disability Services, the peak body for non-government disability services organisations with over 1,200 members.

A user guide and tools based on the NDIS AQA Scheme was developed to help NDIS providers navigate their audit and enhance their understanding of conformity assessment.

A workshop with members of National Disability Services was held which focused on their experiences with certification and the NDIS Approved Quality Auditors in the NDIS AQA Scheme. Over 80 service providers and other stakeholders participated to create a set of themes and information needs that were suggested to help NDIS providers make the best use of certification.

The workshop allowed for feedback and experience sharing in four areas:

- engaging an AQA – covered views on the certification process and the challenges of identifying and contracting with a certification provider
- preparing for an audit – discussed experiences in the lead-up to audit
- the conduct of audits – captured client views on the performance of certification auditors
- general comments – explored the information needs of service providers about certification.

Feedback indicated that the auditing process was considered stressful. As a test of systems and performance this is only to be expected. However, there are also significant gains to be made by ensuring that service providers better understand what is involved in audit and have the tools to compare audit bodies for contracting purposes.



JAS-ANZ FUTURES PROGRAM

The JAS-ANZ Futures Program was designed to introduce conformity assessment to young industry professionals in certified organisations through a structured set of networking and training activities.

The program would prepare them to be better users of conformity assessment in their role as 'customers' of conformity assessment. The design of the program was completed in 2019 with planned delivery in 2020. The emphasis on networking meant that the proposed launch was not feasible.

PROGRESS

The National Disability Services workshop confirmed that NDIS providers were eager for information and events to support better selection and use of certification services. It also suggested that comparative performance data on audit service providers could lead to better choices and outcomes.

It confirmed that there is a valid role for JAS-ANZ in supporting certified organisations and certifiers to achieve better achieve the aims of the NDIS AQA scheme. The workshop generated a series of topics for future development that would support participants in the scheme. These are shown in Table 2.

Table 2: Workshop proposals for content in support of certified organisations

Subject	Content
NDIS AQA Scheme Part 1	AQA personnel experience, qualification, and technical experience
NDIS AQA Scheme Part 2	Audit application and audit program for service providers
Preparing for your NDIS AQA audit	Certification versus verification Internal audit
Stage One Audit, Stage Two Audit and Mid-term audit	Service provider obligations and requirements Interpretation of requirements
Audit report and review	Conditions, evidence, and findings Time frames and what to expect
Audit methodology and sampling	Experience of supports and participant interviews Sample size of registration classes/groups.

Drawing on the results of the workshop and the prior information modelling, performance specifications were prepared for development of a service platform to support certified organisations. We have committed to develop the platform under the SCI 2021-24.

Arrangements for delivery of the Futures Program have been revised for a launch during 2022-23; however, under current circumstances an effective launch will probably not be possible before March 2022.

SUMMARY

Activities	Outcomes
Workshop with NDIS providers by National Disability Services	Co-facilitated discussions and received an overview report of themes and specific information needs for NDIS providers to use CABs in the NDIS AQA Scheme
Refine options for information platforms	Proposals for development of a service platform have been obtained based on previous modelling and workshop outcomes Proof of concept was demonstrated to selected CABs and NDIS consultants
JAS-ANZ Futures Program	Design elements completed and marketing plan is in development. Delivery now planned for 2022.

4 MANAGEMENT SYSTEMS AND QUALITY

Management systems certification is the mainstay of the accreditation system. Robust management systems and quality systems enable organisations to perform effectively. Changes to ISO 9001:2015 for quality management systems and ISO 14001 for environmental management systems became effective from 2018 and have now been in place for more than two years. It is important for JAS-ANZ to understand the impact of those changes and how they might influence our approach to accreditation, and how we can understand and respond to the needs of certified organisations.

MANAGEMENT SYSTEMS PORTFOLIO

Management systems certifications under JAS-ANZ represents about six per cent of global certifications against ISO management systems standards.

The number of certifications during the year did not change significantly from the previous year. The total number of certificates dropped from 90,492 to 88,985. These were distributed across 67 standards but were heavily concentrated on management systems for Quality (ISO 9001), Environmental (ISO 14001) and Occupational Health and Safety (ISO 45001). Management systems certifications are concentrated in manufacturing (57%) with architectural and engineering services (7%), civil engineering (6%), and building and construction (6%) having smaller concentrations.

The take up of management systems certification by standard is shown in Table 3. This shows the prominence of quality management systems, although there is reduction, and environmental management systems which had a small increase in numbers. The change in occupational health and safety systems between AS/NZS 4801 and ISO 45001 reflects the programmed transition away from the domestic standard to the international standard.

Table 3: comparison of management systems certifications

Management System Standards	1 July 2020	30 June 2021
Environmental Management (ISO 14001)	17,588	18,074
Food Safety Management (ISO 22000)	4,526	4,003
Occupational Health and Safety Management (ISO 45001)	6,944	13,827
Occupational Health and Safety Management (AS/ NZS 4801)	7,953	1,690
Quality Management (ISO 9001)	48,828	46,545
Sub-total	85,839	84,139
Other management systems	4,653	4,846
Total	90,492	88,985

Management systems certification typically shows modest growth, mostly in the regional economies where we operate. In 2020–21 this pattern shifted slightly; there were fewer certificates issued in India, Korea, Vietnam, Taiwan, Indonesia, and Singapore. This was largely offset by growth in Australia and China. The top 10 markets accounted for close to 80,000 of the active certificates with approximately 10,000 (10,067 at July 2020, 9,512 at June 2021) active certificates distributed across 120 countries. (See Table 4.)

Table 4: Distribution of management systems certificates by country

Country	July 2020	June 2021
Australia	24,830	26,674
China	19,250	20,225
India	7,369	5,565
Indonesia	2,316	2,062
Japan	3,783	3,720
Korea, Republic of	13,252	12,250
New Zealand	2,128	2,278
Singapore	1,684	1,393
Taiwan Province of China	2,417	2,306
Vietnam	3,396	3,000
Total	80,425	79,473
Other	10,067	9,512

PROGRESS

The work proposed under the SCI 2019–20 was halted during the second half of 2020 and re-evaluated in the Bridging SCI.

Progress was made in planning a more extensive study into both ISO 9001:2015 and ISO 14001:2015 with collaborators at Monash and Canterbury which was incorporated into our SCI 2021–24.

The proposed work item on an education white paper is still not feasible and not considered necessary. During 2021 we worked

with Massey University to develop a syllabus for a first module of a proposed post-graduate education program. This advanced sufficiently for us to commit to completing the module under the SCI 2021–24. The syllabus is based on the Delphi project we carried out in 2018, which established expert insights into the content of a future auditor education program.

During the year we did some internal planning for a proposed initiative for the application of management systems standards and certification in information security, asset management and business continuity. This project is jointly funded with the Department of Industry, Science, Energy and Resources (DISER) under DISER's digital and critical technologies and critical minerals priority areas. An expert steering group has been appointed to oversee the project and an initial set of service agreements established to support market research that will inform the development of the work over the next three years.

Throughout 2020 and the first half of 2021 we continued to develop training for CABs and were able to deliver it through online services as part of our Accelerate Academy. Content specifically supporting management systems and quality included:

- Introduction to ISO/IEC 17021-1 Management System Certification – a masterclass for Certification Bodies (CBs) and scheme owners on the requirements of the standard for the certification of management systems.
- Emotional Intelligence for Auditors and Assessors – for the development of softer skills to support the interactions and communications in working with clients during an audit.
- IAF MD 2: Transferring Accredited Certification of Management Systems – an online course introducing the IAF mandatory document and the requirements for CBs in the transfer of certifications.

SUMMARY

Activities	Outcomes
Initiate project development for a third round of market studies into ISO 9001 and ISO 14001	In Progress
Develop syllabus for a first module of a proposed post-graduate education program	Completed
Commence work on international standards in critical minerals priority areas	In Progress
Develop management systems training packages	Completed

5 PRODUCT CERTIFICATION

Third-party attestation of product conformity with standards and regulations has been relied on in Australia and New Zealand for more than 50 years to demonstrate to consumers that the products they purchase conform with minimum safety and functional requirements. There are several opportunities to develop and expand product certification in response to non-compliant product concerns. Our objective is to improve the performance of product certification to meet these expectations.

PRODUCT CERTIFICATION PORTFOLIO

JAS-ANZ accredits applicants to 74 active product certification schemes. These range from schemes with only two certificates to more than 9,000 certificates. A low number of certificates is not necessarily a reliable indicator of the value of a scheme. There were no significant changes in the product certification portfolio during the year. Certificate numbers grew from a total of 53,001 on 30 June 2020 to 56,133 on 30 June 2021 and this continues the trend of growth in product certification relative to the main management systems program.

Active product certification schemes are concentrated in a small number of product domains as shown in Table 5. Electrical safety represents the largest group by certificate numbers. Most of the electrical safety certificates are for products traded into Australia and New Zealand. The food sector is more export-oriented and human services is almost entirely covered by State and Commonwealth programs in Australia.

Table 5: Distribution of product certificates by domain

Category	1 July 2020	30 June 2021	Difference
Building and construction	415	425	10
Electrical	26,717	27,190	473
Environment	44	15	-29
Food	11,725	12,224	499
Gas	2,000	1,972	-28
General	2,143	2,068	-75
Hazardous location	553	510	-43
Human services	6,537	8,678	2,141
Plumbing	2,157	2,301	144
Telecommunications	389	482	93
Timber products	321	268	-53
Total	53,001	56,133	3,132

The holders of product certifications are concentrated in a small number of countries. Australia and China are the largest.

Table 6: Distribution of certificates by country of holder

Country	July 2020	June 2021
Australia	24,938	27,673
China	11,479	11,327
USA	3,735	3,831
NZ	2,570	3,061
Taiwan	1,638	1,508
Hong Kong	1,387	1,466
UK	1,123	1,177
Other	6,131	6,090
Total	53,001	56,133

PERFORMANCE

Accreditation assessment of product certifiers during the year involved two main activities: assessing the certification process of the CAB and technical file reviews (see Annex E).

The process assessment examines the performance of the accredited body against its certification process. It covers key management elements such as internal audits, management review, records control, and decision-making.

The file review is a technical review that examines the completeness and the adequacy of the supporting data on which the certification is based. The technical review is undertaken by specialist assessment team members or in some case by representatives of regulatory agencies who participate in assessment activities under cooperation arrangements. Six hundred file reviews were undertaken during the year.

The main findings from assessments highlight that there are a few matters to be addressed in the product evaluation processes of a small number of CABs and their use of appropriately qualified auditors.

There were 15 inquiries submitted to JAS-ANZ about the validity of certificates for investigation and resolution between July 2020 and June 2021. These came mainly from scheme owners, administrators, competitors, and regulators.

Eleven of the enquiries were about the WaterMark Scheme for plumbing products; however, this remains a small proportion of the 2300 Watermark certificates. After investigation by JAS-ANZ, some were referred to Standards Australia and the Australian Building Codes Board (ABCB) for review of the relevant standard or product specification. In one case a certificate was revised; in another, the certificate was withdrawn.

PROGRESS

The SCI 2019-22 proposed setting up a product reference group in 2020 for peer and expert evaluation of disputed product certifications and the development of assessment routines tailored to specific product schemes. These were completed and no new major undertakings were included in the Bridging SCI.

Product certification is an area where there are performance gains to be made through the delivery of training. The following courses were launched to support product certification:

- Introduction to ISO/IEC 17065 Product Certification – a masterclass for CABs and scheme owners on the requirement of the standard in the certification of products, process, and services.
- Product Testing and Certification – a joint initiative with the National Association of Testing Authorities (NATA), providing a free course introducing product testing and product certification.

In the area of regulatory cooperation on product certification good progress was made in electrical safety starting with a national issues seminar hosted by AiGroup, and then in developing the framework for a single electrical certification scheme that could satisfy the different safety regimes in New Zealand, New South Wales, and the rest of Australia.

Energy Safe Victoria has also been a valuable collaborator through participation in assessment activity and supporting the development of technical assessors in gas product certification.

SUMMARY

Activities	Outcomes
Implement product reference group	Completed - standing arrangements exist to convene a product reference group to investigate any disputed product certifications
Regulatory cooperation	Ongoing
Complete product certification training modules	Completed

NEW ELECTRICAL EQUIPMENT SAFETY SCHEME WILL SIMPLIFY AND HARMONISE REGULATION

JAS-ANZ initiated the development of a harmonised Electrical Equipment Safety Scheme (ESSS) in response to a call from industry in Australia and New Zealand to assist in addressing issues associated with having several proprietary schemes and differing regulations.

Nine electrical equipment safety schemes owned by certification bodies were providing certification of electrical equipment. Although the schemes were based on the same principles, they introduced variation in practices in addressing jurisdictional regulatory requirements. The various regulatory schemes also presented significant challenges to industry when producing or on-selling products into the Australian and New Zealand markets.

A scheme technical committee made up of key stakeholders was formed to develop a single harmonised product certification scheme. Members include Australian and New Zealand regulators, certification bodies, Australian and New Zealand industry representatives, and JAS-ANZ assessment team members.

According to James Thomson, JAS-ANZ Technical Advisory Council member and AiGroup representative, this initiative could produce great benefits for industry. "The EESS is a great opportunity for regulators, industry and certification bodies to bring greater alignment to Australian electrical regulation," he said. "The development of a single set of rules governing certifiers not only facilitates dialogue across the stakeholder groups but rationalises the varying attestation practices in the electrical space."

The scheme has been developed to form the basis for certification of regulated and non-regulated electrical equipment by third party certification bodies. Important areas that the scheme will harmonise include:

- the evidence of product conformance that applicants seeking certification for their products must supply
- the competencies of those undertaking the review of evidence provided against standard requirements
- the certification process, including the information required to be included in certification documentation (certificate).

The scheme also aims to incorporate additional requirements for certification bodies that arise from the different regulation that control the sector.

Ian McAlister, Chief Executive Officer, the Consumer Electronics Suppliers' Association (CESA), and JAS-ANZ Technical Advisory Council member, noted that the scheme would provide a bridge to a more uniform and harmonised approach to electrical safety regulation in Australia and New Zealand. "A single set of rules will ensure certifications have the same value across jurisdictions and provide efficiency gains for producers and suppliers," he said.

JAS-ANZ will take on the role of scheme custodian and manage the ongoing maintenance of the scheme as there is currently no obvious scheme owner, due to the scheme's dual purpose. The JAS-ANZ Technical Advisory Council will oversee these activities, with the management of the scheme undertaken by JAS-ANZ.

The technical committee will continue its work to develop the scheme as platform for harmonising electrical equipment certification for Australia and New Zealand. It is expected to complete the scheme documentation by the end of 2021.



6 BUILDING A GLOBAL PROFILE

JAS-ANZ is active in several networks and initiatives that contribute to the operation of global conformity assessment and which further trade. A substantial effort is applied to developing and improving linkages with government, industry, and non-governmental organisations (NGOs) that have interests in conformity assessment.

IAF, ILAC AND APAC

JAS-ANZ is an active member of the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC). Regionally, JAS-ANZ is an active member of the Asia Pacific Accreditation Cooperation (APAC) following the merger of the Pacific Accreditation Cooperation (PAC) and the Asia Pacific Laboratory Accreditation Cooperation (APLAC) from 1 January 2019.

JAS-ANZ currently holds the following positions within IAF and APAC:

- Chair of the IAF Technical Committee
- Chair of APAC Technical Committee (TC2)
- Member of the:
 - » IAF/ILAC Joint Executive Committee
 - » APAC Executive Committee
 - » APAC Mutual Recognition Arrangement (MRA) Council Management Committee.

The range of committee work that JAS-ANZ participates in through the member organisations is given at Annex C.

The merger of the IAF and ILAC, which began in 2019, remains a work in progress. Development of proposals for unified membership rules and rights is under way. The target for the merger project is mid-2024.

IEC SYSTEMS

JAS-ANZ is the Australian member body for the International Electrotechnical Commission (IEC) through its Conformity Assessment Board which is responsible for the oversight of the following IEC conformity assessment systems:

- IEC System of Conformity Assessment Schemes for Electrotechnical Equipment and Components (IECEE)
- IEC System for Certification to Standards Relating to Equipment for Use in Explosive Atmospheres (IECEX)
- IEC Quality Assessment System for Electronic Components (IECQ).

JAS-ANZ provides Technical Report Forms (TRFs) to the IECEE system. These supplement IEC TRFs and ensure that the IECEE system is notified of any national deviations from IEC standards, and that products are then tested against the deviations. JAS-ANZ recognises seven certification bodies in the IECQ system.

JAS-ANZ is working towards becoming the Australian member body for the IEC System for Certification to Standards Relating to Equipment for Use in Renewable Energy Applications (IECRE).

TRADE SUPPORT

Trade support activities were provided to the Department of Industry, Science, Energy and Resources (DISER) and the Ministry of Business, Innovation and Employment (MBIE) on request. Requests tended to focus on the technical annexes to various trade liberalisation agreements as well as proposals for project work in the APEC Standards and Conformance Sub-Committee.

SUMMARY

Activities	Outcomes
Participate in IAF, ILAC and APAC activities	JAS-ANZ participated in all principal meetings convened by IAF, ILAC and APAC during the year
Provide support for IAF Technical Committee Chair	<ul style="list-style-type: none"> • A JAS-ANZ staff member holds the chair the IAF Technical Committee • The IAF Technical Committee Chair is also a member of the IAF Executive
Provide support for APAC Technical Committee Chair	<ul style="list-style-type: none"> • A JAS-ANZ staff member holds the chair the Technical Committee, TC 2 • JAS-ANZ is also represented on the Executive Committee and MRA Council Management Committee.
Maintain Member Body status for the IECQ and IECEE	<p>JAS-ANZ is the Australian Member Body for:</p> <ul style="list-style-type: none"> • the IECEE, IECEx and IECQ conformity assessment systems. • A decision on the IECRE scheme is pending.
Assist DISER and MBIE on the technical aspects of trade support measure as requested	Completed

7 PROTECTING BRAND AND IDENTITY

The JAS-ANZ brand has a high level of recognition within the accreditation industry; however, the JAS-ANZ accreditation symbol has been compromised and has become susceptible to fraudulent misuse, particularly in the past couple of years. This poses a significant risk to JAS-ANZ's ability to continue to meet its organisational objectives and maintain trust in the system. As a result, JAS-ANZ intends to rebrand.

MARKETING AND COMMUNICATIONS

Marketing and communications activities during the year have been mainly online via the JAS-ANZ website, which carried news style articles, social media posts and a program of online seminars, or webinars.

JAS-ANZ is in the early stages of developing its presence on social media, including Facebook, LinkedIn, and Twitter. **All have shown modest growth in followers. Topics that generated most interest include:**

- the announcement of a partnership with The Programme for the Endorsement of Forest Certification (PEFC) for delivery of regional training on forestry management certification
- the release of the new public certificate register
- engaging with Australian businesses
- the announcement of the (Commonwealth's) Support for Industry Service Organisations (SISO) grant supporting the Critical Minerals sector.

The metrics gathered from these channels will help to build a picture of which posts perform best on which platforms; this will guide JAS-ANZ's future engagement in social media.

JAS-ANZ held webinars during the year for its own personnel as well as for external stakeholders. For example, a program of 14 virtual sessions detailed the changes to the assessment program and covered internal content, assessment activity, and external topics. All the webinars were recorded and are available in the Learning Management System. Table 7 lists the content delivered during the year.

Table 7: Internal training content

Internal	Assessment and Assessors	External
<ul style="list-style-type: none"> • Staff Learning Management System • New Assessor Program • Train-the-trainer for facilitators of the Accelerate Training Academy 	<ul style="list-style-type: none"> • Contractor Learning Management System walk-through • Remote Witnessed Audit Guideline and Report Template • New Assessor Program – Assessor Information Session • Self-Administered Country Scope Extensions • Product Remote Assessments: Getting the most from document reviews • Remote assessment – What the future looks like 	<ul style="list-style-type: none"> • National Retail Association Technical Standards Committee • WaterMark Scheme • Meet the Health and Human Services Sector Manager • NDIS Roundtable • Health and Human Services Sector Issues webinar

BRAND INTEGRITY

The JAS-ANZ logo has been susceptible to fraudulent use, which poses a substantial risk to JAS-ANZ's reputation. During the year work on establishing a new marketing logo and compliance symbol for JAS-ANZ progressed.

Our aim is to have two related but distinct designs. A management plan for a marketing logo and a compliance symbol is being developed. The marketing symbol is intended for widespread and relatively open use; however, strict controls will apply to the compliance symbol. Several candidate images have been assessed against international image databases to determine the likelihood of successful registration. As part of developing the brand we have worked on creating a set of key messages about the role of accreditation and conformity assessment. This follows a program of survey and discussion with key stakeholders conducted on our behalf by BrandMatters. These key messages will eventually inform our future communication and marketing activity.

Our intention is to launch the marketing brand concepts and symbol in 2021 which is our 30th year of operation. The more complex transition to a new compliance symbol will follow in early 2023.

SUMMARY

Activities	Outcomes
Develop social media capability	In progress
Deliver webinar program	Complete
Finalise brand strategy	In Progress

8 RESPONDING TO TECHNOLOGY

Technology can be an important tool for innovation in the delivery of accreditation services. Looking beyond remote service delivery, we believe there are many advantages to successfully deploying more sophisticated information systems. Better use of data can support a more dynamic assessment model with enhanced confidence and reduced costs. It can also help us deliver more relevant information to different stakeholders such as scheme owners and regulators.

Expanding our register and generally improving data management to provide more useful analysis, as well as achieving online, on-mobile, and on-demand access to work processes are both high priorities.

REGISTER REDEVELOPMENT

The evaluation and redevelopment of our online register was undertaken to support the display of live data and to improve future management of the register. We decoupled the register from our public website so that content changes could be made rapidly and at reduced cost. New features were added, including:

- scheme-level filtering
- expanded functionality for CodeMark certificates – see and filter by 'expired', 'withdrawn' and 'suspended' certificates
- confirmation of accreditation certificate numbers.

Additional developments were modelled that would support future implementation of more complete product certification data to users, the introduction of category and sub-category classification into food sector data, and the release of a register of endorsed certification schemes.

INTERNAL INFORMATION SYSTEMS PROOF OF CONCEPT

A proof-of-concept analysis was completed to demonstrate the feasibility of developing a web portal that could bring all functions and stakeholders into a single platform. The portal will service the needs of Staff, Contractors, Accreditation Review Board, Conformity Assessment Bodies, Scheme Owners and Technical Services clients. A series of cases were developed during the year for nominated processes and trialled. The results of the trials were used to develop a proposal which was completed and is ready for evaluation and decision.

SUMMARY

Activities	Outcomes
Register redevelopment	Completed
Complete Information systems redevelopment plan	Completed



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INTERNAL OPERATIONS

THIS SECTION PRESENTS AN OVERVIEW OF JAS-ANZ'S GOVERNANCE AND MANAGEMENT. IT INCLUDES INFORMATION ABOUT:

The Governing Board is responsible for overseeing the organisation's operations.
The Technical Advisory Council (TAC) is a forum for stakeholder engagement and advice on matters relating to the accreditation.
The Accreditation Review Board (ARB) provides an independent accreditation decision-making structure.

1 GOVERNANCE, RISK AND COMPLIANCE

GOVERNANCE

JAS-ANZ's internal governance relies heavily on coordinated activity of the Governing Board, the Technical Advisory Council (TAC) and the Accreditation Review Board (ARB). An online meeting system was put into service early in 2020 and all meetings – which were shorter but more frequent – were held online during the year. TAC and ARB meetings were combined into a common briefing session, and the normal oversight role of the Accreditation Review Board conducted separately.

The Governing Board held five monthly meetings in the second half of 2020, with a return to quarterly meetings in 2021. Two members retired in the second half of 2020 and this, combined with an existing vacancy, meant that the Board was reduced to seven members. Replacement appointments were confirmed early in 2021.

The TAC and the ARB met four times during the year in combined briefing sessions covering JAS-ANZ operations and progress on specific projects. The ARB conducted its normal oversight of decision-making through its work portal.

Frequency, eligibility, and attendance at meetings are set out in Annex A.

RISK

The general risk profile for the accreditation system remains stable. A heightened operating risk evident at the start of the year became manageable as we developed capacity to work with remote assessment methods. Although this is now well-established and continues to develop, there is a risk that external parties such as scheme owners may not continue to support the use of remote methods if they have reason to doubt its effectiveness.

The risk management framework has been revised from AS/NZS ISO 31000:2009 to bring it into line with AS ISO 31000:2018 Risk Management: Guidelines. The risk process operates as an integrated element of the organisation's planning processes through JAS-ANZ's Statement of Corporate Intent. Work to expand the compliance and business continuity elements of our risk framework is under way.

COMPLIANCE

JAS-ANZ received two requests under the Freedom of Information Act (FOI) (Commonwealth) 2018 during the year. The question of whether JAS-ANZ is bound under the FOI Act was a matter of divided opinion. Legal advisors to parties that were

the subject of the FOI requests argued against the view that JAS-ANZ falls within the definition of 'prescribed authority' in s 4(1) of the FOI Act. This was based on the prior establishment of JAS-ANZ as an international organisation. On advice from the Australian Government solicitor, JAS-ANZ settled on the view that it had been established as a body corporate by the JAS-ANZ Regulations for a public purpose.

Our compliance process has been extended to cover compliance with the FOI Act.

The FOI requests were for information that the applicants believed would be held by JAS-ANZ about the activities of accredited bodies. The requests were actioned in accordance with the timeframes specified in the Act.

INTERNAL AUDIT

An internal audit program comprising a package of eight discrete audits was completed during the year. The focus was on compliance with ISO/IEC 17011:2017 – Conformity assessment as part of our preparation for the peer evaluation.

The audit program covered the major stages of the accreditation assessment process, the role of the TAC and the ARB, Scheme Management and Management Review.

PEER EVALUATION

The peer evaluation of JAS-ANZ was mostly completed during the first half of 2021; a closing meeting between JAS-ANZ personnel and the evaluation team was held on 23 July 2021. This evaluation comprised a test of our systems and operations against ISO 17011:2017 as well as IAF and ILAC mandatory documents.

The evaluation was carried out remotely between May and June. It included an office evaluation covering policies, procedures, and the record of our activity for the past four years as well as witnessing of our assessment activities across the programs offered by JAS-ANZ. The evaluation result will be formalized in a ballot of the Asia Pacific Accreditation Cooperation (APAC) Council members later in the year when we will be advised of the outcome.

COMPLAINTS

There were three complaints lodged against JAS-ANZ during 2020–21. These were all based on matters arising from assessment performance. A general complaint about the way two assessments were conducted was resolved through additional training being provided. One case was based on an assertion

that major nonconformities were raised that were not discussed at the assessment's closing meeting. That complaint had to be reviewed by an external investigator, with the resolution focusing on reducing the likelihood of similar complaints being raised in the future. The third complaint was raised against an assessment team where the assessment team leader terminated the assessment because of the conduct of the certification body representatives. All matters were investigated, and a response provided, including how to reduce the likelihood of these issues being raised in the future. The average time for processing complaints was 65 days.

JAS-ANZ intervened in five complaints between JAS-ANZ accredited bodies and their clients. One case is still under investigation. The complaints touched on aspects of professional conduct such as not adhering to established processes for the transfer of clients between certification bodies or inadequate controls over the certification process.

All four complaints were upheld, and the certifiers were required to take corrective actions. The corrective actions were sufficient, and it was not necessary for us to invoke suspension or withdrawal of accreditation.

SANCTIONS

JAS-ANZ applies sanctions to conduct and performance that is contrary to the conditions of accreditation. These operate at three levels in an escalating model. The Show Cause is a notification advising that concerns about and evidence of conduct or performance that is contrary to the conditions of accreditation have emerged. It requires an accredited body to demonstrate why a sanction should not be applied. If the Show Cause notification is not addressed, usually a suspension will follow. If the terms of the suspension are not followed, then withdrawal of accreditation could ensue. Suspensions and withdrawals of accreditation are notified on the JAS-ANZ website. Withdrawals are further notified to the International Accreditation Forum (IAF) for dissemination to other member accreditation bodies.

Table 8: Show Cause, Suspensions and Withdrawals 1 July 2020 to 30 June 2021.

Sanction	Function	Incidents	Cause
Show Cause	Places matters before an accredited body and provides an opportunity for redress	12	The causes are equally spread between: <ul style="list-style-type: none"> failure to provide certification data to the register failure to satisfactorily address nonconformities or system failures fraudulent activities or misleading information
Suspension	Impose limitations on the performance of accredited activities	2	<ul style="list-style-type: none"> Failure to close nonconformities Poor performance in a specific scheme
Withdrawal	Removal of accreditation status	2	<ul style="list-style-type: none"> Issuing certificates without conducting an audit, deemed to be fraudulent behaviour.

2 MANAGEMENT AND STAFF

JAS-ANZ is managed and operated from offices in Canberra (Australia) and Wellington (New Zealand).

STAFFING

Currently, the JAS-ANZ Secretariat comprises 32 full-time staff based in offices in Canberra, Australia (25); Wellington, New Zealand (7); and one remotely (1). In June 2020 there were six vacant positions and an additional two new positions to be filled.

Recruitment to these was deferred until December 2020. Seven of these eight positions have now been filled. At the close of the reporting period the distribution of staff by function was:

Area	Role	Staffing
Accreditation Services	Accreditation service delivery, planning and scheduling.	17
Corporate	Planning and monitoring, Board, TAC and ARB support, and decision making.	7
Finance	Financial administration and control	3
Information Systems	Information systems operation and development.	2
Operations	Learning and Development, Scheme Administration, Communication and Marketing.	10

The expansion of remote surveillance changes some of the dynamics that have influenced the use of contract assessors. Remote surveillance reduces the impact on travel time and costs significantly, which makes the development of staff assessors more feasible. A staff assessor role in the food sector was created to test this and is proving to be beneficial.

The assessor pool was stable over the year for our major programs. Table 9 shows the changes in assessor numbers.

Table 9: Number and distribution of assessors

Type of Assessor	QMS		EMS		OHS		Product Certification	
Assessor	1 July 2020	30 June 2021	1 July 2020	30 June 2021	1 July 2020	30 June 2021	1 July 2020	30 June 2021
Trainee assessor	26	25	22	20	20	20	13	13
Technical expert	7	8	2	3	3	4	7	7
Witness assessor	1	1	5	4	3	3	11	11

LEARNING AND DEVELOPMENT

A range of training programs were developed and delivered for internal staff and contractors during the year.

The New Assessor Program was formally launched in November 2020 with a series of learning programs and a range of new and improved courses to:

- induct assessors and technical experts to JAS-ANZ
- develop their foundation assessment and professional skills.

All assessors were required to complete the new program.

A staff induction and onboarding program was launched in December 2020 which supported the induction of a range of new staff in late 2020 and early 2021. The learning program provides a series of online courses covering an introduction to JAS-ANZ and an overview of operations and services as well as core training including work, health, and safety.

INFORMATION SYSTEMS PERFORMANCE

JAS-ANZ is increasingly reliant on information systems for delivery of services. Systems are critical to performance but can also be a significant vulnerability. Throughout the financial year JAS-ANZ experienced approximately 35 hours of service degradation (see Annex G).

On average, JAS-ANZ took approximately four hours to fully recover from service degradations.

JAS-ANZ experienced a targeted DDoS/exploit scanning attack over several days early in the financial year; no breach was made, and our web services were restored within three hours and continued to operate during the attack.

Information Systems has processed over 200 service improvement requests, averaging two business days for closure across requests that were not escalated to projects. Information Systems delivered networking and other infrastructure upgrades that helped reduce costs, consolidate, and harden our platforms, and improve the disaster recovery plan by scaling out our system backup platform.

ACCELERATE TRAINING

WHY TRAINING?

The possibility of offering external training services was assessed in 2018. The main reason for this was the potential to improve outcomes for users of accredited certification.

Where training has been a concern for stakeholders, they advised us that they had few doubts about the audit proficiency of certifiers but had some reservation about the extent of their domain knowledge.

Some certifiers identified the challenges of understanding and applying the growing body of standards and mandatory documents from IAF as an impediment to performance which well-organised training services could make more accessible.

It was clear that a well-structured training program could transfer knowledge more efficiently and effectively than distributing documentation, or even through the assessment process. Training could also work well with knowledge testing to support complex certification scenarios such as performance-based regulation and human services.

We see a structured approach to training as essential for the overall performance of the accreditation system and now that the Academy has been launched, we are examining options for integrating it more fully into our assessment process.

THE ACCELERATE TRAINING ACADEMY

The Accelerate Training Academy was soft launched to test the market interest. All the courses were delivered as online self-directed learning, with some combining virtual facilitator-led webinars. A principal objective of the Academy was to deliver program-level training. Throughout the year these programs were delivered as blended learning, where online self-directed learning was combined with virtual live facilitator-led webinars.

HOW IT WORKS

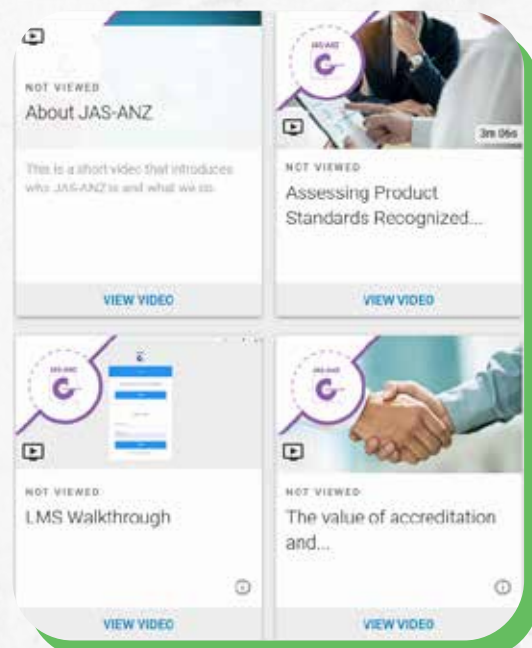
- Course development is prioritised based on stakeholders' needs. The priority is identified through surveys and communication with our key stakeholders, Certification Bodies, and scheme owners.
- We use subject matter experts with extensive experience in conformity assessment to develop the course content. The content is structured into a suitable learning course for the audience(s) by the Learning and Development Team. After internal review, the course is approved for publishing.
- The LMS is the portal that is used for the JAS-ANZ Accelerate Training Academy. It provides learners with a user-friendly system to access their course materials and for JAS-ANZ to deliver the online modules and live webinar training.
- Trainers are selected via a rigorous recruitment process and must have extensive experience in conformity assessment. The successful trainers are taken through a train-the-trainer program to meet JAS-ANZ's exacting requirements.
- Training is delivered in multiple formats including e-learning as online self-directed learning, or blended learning that combines online self-directed learning with facilitator-led live webinars.

WHAT IS ON OFFER

- **About JAS-ANZ** – a free course offering an introduction to JAS-ANZ, who we are and what we do, the industry sectors in which we operate, and key networks and stakeholders.
- **Introduction to ISO/IEC 17065 Product Certification** – a masterclass for CBs and scheme owners on the requirement of the standard in the certification of products, process, and services.
- **Introduction to ISO/IEC 17021-1 Management System Certification** – a masterclass for CBs and scheme owners on the requirements of the standard for the certification of management systems.
- **Product Testing and Certification** – a joint initiative with NATA, providing a free course introducing product testing and product certification.
- **Emotional Intelligence for Auditors and Assessors** – for the development of softer skills to support the interactions and communications in working with clients during an audit.
- **IAF MD 2: Transferring Accredited Certification of Management Systems** – an online course introducing the IAF mandatory document and the requirements for CBs in the transfer of certifications.

Table 10: Course delivery and participation

Program	Participants
About JAS-ANZ	64
Introduction to ISO/IEC 17065 Product Certification	21
Introduction to ISO/IEC 17021-1 Management System Certification	22
Product Testing and Certification	42
Emotional Intelligence for Auditors and Assessors	3
IAF MD 2: Transferring Accredited Certification of Management Systems	8







04

FINANCIAL REPORT

THIS SECTION PROVIDES AUDITED FINANCIAL REPORTS FOR JAS-ANZ

- Financial Statements
 - » Statement of Income and Expenditure
 - » Statement of Financial Position
 - » Statement of Changes in Equity
 - » Statement of Cash Flows
- Notes to the Financial Statements
- Governing Board Declaration
- Auditor's Report

1 STEWARDSHIP AND INVESTMENT

JAS-ANZ is a self-sustained not-for-profit entity which adheres to three key principles in its financial planning endeavours to maintain self-sustainability:

1. Ensure the organisation's costs are met.
2. Consider Australian and New Zealand government guidelines when setting fees.
3. Apply a risk premium, ranging from 0 to 15 per cent, to activities that have a higher-than-average cost profile.

The Board aims to ensure that JAS-ANZ operates on terms that:

- provide adequate cash reserves to meet future liabilities or shocks
- minimize the likelihood of any financial reliance on the Australian and New Zealand governments
- support re-investment in capacity-building.

The Board has achieved its objective of maintaining reserves of cash and cash equivalents at liquidity levels necessary, in a worst-case-scenario, to self-fund six months of operating activities.

This objective will continue to be observed in accordance with governance processes.

In the early part of 2020 JAS-ANZ discretionary expenditure was wound back to manage any likely downturn in operations. By the start of 2021 that was no longer necessary and discretionary project expenditure was resumed.

During the year, we invested in capacity-building activities such as:

- up-skilling Conformity Assessment Bodies (CABs) and accreditation assessors through the Accelerate Training Academy
- increasing expertise in the provision of advice around scheme development and scheme integrity
- backfilling employment positions after retirements and resignations
- using and developing viable methods of remote assessment to deliver necessary services.

Constraints on travel and access to premises meant that services have moved almost entirely to online delivery. This change resulted in an abnormal surplus which the Board had determined will be set aside and applied to nominated capacity building activities.

2 SUMMARY OF FINANCIAL PERFORMANCE

As audited, a gain before income tax of \$1,383,346 was realized in the 2020–21 financial year. This outcome exceeded the budgeted gain before income tax (\$712,500) by \$670,846. This is an abnormal result which is almost entirely attributable to the constraints on normal operating activity brought about by travel restrictions and observance of social distancing conditions. Some modest growth in certificate numbers and accredited bodies also contributed.

The differences in actual performance against the budget are:

The higher revenue was mainly from:

- certificate fees, body fees and application fees
- assessment fees.

The lower costs were mainly associated with:

- contractor fees
- salary and employee expenses.

These were offset by higher costs, mainly for:

- depreciation and amortization.

Table 11: Material variations between the budget and the audited outcome

	OUTCOME \$	BUDGET \$	DIFFERENCE \$
Revenue	8,369,545	8,298,000	71,545
Contractor fees	(1,374,291)	(1,685,000)	310,709
Salary and employee expenses	(3,483,390)	(3,830,000)	346,610
Depreciation and amortisation	(489,439)	(430,000)	(59,439)

Gain/(deficit) before income tax	1,383,346	712,500	670,846

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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2	8,479,578	8,330,583
Accountancy expenses		(10,815)	(20,875)
Advertising expenses		(29,683)	(45,932)
Auditor's remuneration	3	(28,500)	(28,500)
Bad and doubtful debts		(55,178)	(73,580)
Bank charges		-	(27,344)
Contractor fees		(1,374,291)	(1,974,445)
Depreciation and amortisation expenses	4	(489,439)	(270,338)
Freight and cartage		(4,332)	(1,641)
Interest paid		(52,646)	(28,160)
IT maintenance and support		(160,081)	(221,909)
Occupancy costs		(18,742)	(180,037)
Professional fees		(389,183)	(492,004)
Salary and employee expenses		(3,483,390)	(3,448,900)
Salary on costs		(382,594)	(213,638)
Superannuation contributions		(278,780)	(272,129)
Travel and accommodation expenses		(29,157)	(521,155)
Other expenses from ordinary activities		(309,421)	(336,214)
Gain before income tax		1,383,346	173,782
Income tax expense		-	-
Gain attributable to JAS-ANZ		1,383,346	173,782

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	7,916,962	6,212,064
Trade and other receivables	6	627,990	962,144
Other current assets	7	1,075,323	898,833
TOTAL CURRENT ASSETS		<u>9,620,275</u>	<u>8,073,041</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	368,545	428,538
Right of use assets	9	985,608	1,344,184
TOTAL NON-CURRENT ASSETS		<u>1,354,153</u>	<u>1,772,722</u>
TOTAL ASSETS		<u>10,974,428</u>	<u>9,845,763</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	404,072	462,543
Provisions	11	657,734	540,955
Financial liabilities	13	325,373	330,292
TOTAL CURRENT LIABILITIES		<u>1,387,179</u>	<u>1,333,790</u>
NON-CURRENT LIABILITIES			
Provisions	11	78,849	64,273
Financial liabilities	13	704,577	1,027,223
TOTAL NON-CURRENT LIABILITIES		<u>783,426</u>	<u>1,091,496</u>
TOTAL LIABILITIES		<u>2,170,605</u>	<u>2,425,286</u>
NET ASSETS		<u>8,803,823</u>	<u>7,420,477</u>
EQUITY			
Reserve	12	20,000	-
Retained earnings		8,783,823	7,420,477
TOTAL EQUITY		<u>8,803,823</u>	<u>7,420,477</u>

The accompanying notes form part of these financial statements

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Retained earnings \$	Reserve \$	Total \$
Balance at 1 July 2019	7,246,695	-	7,246,695
Gain attributable to the entity	173,782	-	173,782
Balance at 30 June 2020	7,420,477	-	7,420,477
Transfer to reserve	(20,000)	20,000	-
Gain attributable to the entity	1,383,346	-	1,383,346
Balance at 30 June 2021	8,783,823	20,000	8,803,823

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

		2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,984,795	9,339,090
Interest paid		(52,646)	(28,160)
Payments to suppliers and employees		(6,665,191)	(7,910,229)
Interest received		91,373	77,707
Net GST paid		(255,000)	(232,930)
Net cash provided by operating activities	15	<u>2,103,331</u>	<u>1,245,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(70,868)	(497,850)
Net cash (used in) investing activities		<u>(70,868)</u>	<u>(497,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(327,565)	(154,759)
Net cash (used in) financing activities		<u>(327,565)</u>	<u>(154,759)</u>
Net increase in cash held		1,704,898	592,869
Cash at beginning of financial year		6,212,064	5,619,195
Cash at end of financial year	5	<u><u>7,916,962</u></u>	<u><u>6,212,064</u></u>

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Statement of Significant Accounting Policies

This financial report covers Joint Accreditation System of Australia and New Zealand (JAS-ANZ) as an individual entity.

The financial report was authorised for issue by the Governing Board on 3 September 2021.

Basis of Preparation

Management have prepared the financial statements on the basis that JAS-ANZ is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards and the significant accounting policies disclosed below, which Management have determined appropriate. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Revenue recognition

Revenue recognition related to the provision of services is determined with reference to the stage of completion of the transaction at reporting date where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

Revenue is measured at the fair value of the consideration received or receivable after considering any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Interest Income

Interest income is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

b. Income Tax

The income tax revenue / (expense) for a year comprises current income tax income / (expenses) and deferred tax income / (expenses).

Current income tax expenses charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date in the relevant taxation authority. Current tax assets / (liabilities) are therefore measured at the amounts expected to be recovered from / (paid to) the relevant taxation authority in Australia or New Zealand.

As at 22 August 2014 JAS-ANZ have been issued a private ruling confirming it is exempt from income tax in Australia on Australian taxable income only based on the taxation privileges and immunities of prescribed International Organisations as noted in the First Schedule of the *International Organisations (Privileges & Immunities) Act 1963*. It remains taxable in New Zealand.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax income / (expense) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting dates. Their measurement also reflects the manner which management expects to recover or settle the carrying amount of the related asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

b. Income Tax (Continued)

A deferred tax asset is recognised to the extent that it is no longer deemed probable that future taxable profit will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. JAS-ANZ holds deferred tax assets which have accrued because of tax losses over consecutive years. However, these are carried off the Statement of Financial Position until they can be realised. The tax-effect amount of these assets on 30 June 2021 is \$540,565.

c. Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold or services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

d. Property, Plant and Equipment

Plant and equipment are measured on the cost basis, less depreciation and impairment losses.

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

d. Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of fixed assets, other than those fixed assets subject to a lease contract, are depreciated on a diminishing value basis over the asset's useful life to JAS-ANZ commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These gains or losses are included in the Statement of Income and Expenditure. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10-50%
Computer Equipment	13-100%

e. Leases

At inception of a contract, JAS-ANZ assesses if the contract contains or is a lease under AASB 16 Leases. Where a lease exists, a right-of-use asset and a corresponding lease liability are recognised by JAS-ANZ where JAS-ANZ is a lessee. However, all contracts that are classified as short-term leases (i.e. lease with remaining lease term of 12 months or less) and leases of low value assets will be recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, JAS-ANZ uses the incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement day as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that JAS-ANZ anticipates exercising a purchase option, the specific asset is depreciated on a straight-line basis over the useful life of the underlying asset.

JAS-ANZ does not act as a lessor in relation to lease contracts.

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

f. Impairment of Assets

At each reporting date, JAS-ANZ reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Income and Expenditure.

Where it is not possible to estimate the recoverable amount of an individual asset, JAS-ANZ estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Financial Instruments

Financial instruments are recognised initially on the date that the JAS-ANZ becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of Financial Assets

At the end of the reporting period JAS-ANZ assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through utilising an allowance account, and all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

g. Financial Instruments (Continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, JAS-ANZ classifies its financial assets measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless JAS-ANZ changes its business model for managing financial assets. JAS-ANZ does not hold any financial assets at fair value through profit or loss or at fair value through other comprehensive income.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

JAS-ANZ's financial assets measured at amortised cost comprise trade and other receivables, term deposits, and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

JAS-ANZ measures all financial liabilities initially at fair value less transaction costs. Subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the entity comprise trade and other payables, and finance lease liabilities.

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

h. Foreign Currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Income and Expenditure, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange differences are recognised in the Statement of Income and Expenditure.

i. Employee Benefits

Short-term employee benefits

Provision is made for the entity's liability for short-term employee benefits arising from services rendered by employees to the end of the reporting period. Short-term employee benefits that are expected to be wholly settled within 12 months have been measured at the amounts expected to be paid when the liability is settled.

The entity's obligation for short-term employee benefits are recognised as a part of provisions in the Statement of Financial Position.

Contributions are made by JAS-ANZ to an employee superannuation fund and are charged as expenses when incurred.

Other long-term employee benefits

JAS-ANZ classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for JAS-ANZ's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

i. Employee Benefits (Continued)

JAS-ANZ's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current liabilities.

j. Provisions

Provisions are recognised when JAS-ANZ has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Trade and other payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the entity during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of twelve months or less.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) or the Inland Revenue Department (IRD).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO or IRD is included with trade and other receivables or payables in the Statement of Financial Position.

Cash flows in the Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

n. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. Key Estimates

(i) Impairment – general

JAS-ANZ assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after year end of the annual reporting period in which the employees render the related service. As JAS-ANZ expects all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, JAS-ANZ believes that obligations for annual leave entitlements satisfy the definition of short term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(iii) Performance obligations under AASB 15: Revenue from Contracts with Customers

To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost / value, quantity and the period of transfer related to the goods or services agreed.

(iv) Lease term and Option to Extend under AASB 16: Leases

The lease term is defined as the non-cancellable period of a lease together with any periods covered by an option to extend the lease if JAS-ANZ is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if JAS-ANZ is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that JAS-ANZ will make. JAS-ANZ has not included extension options (a period of five years expiring in February 2030 for Australia premises and a period of three years expiring in March 2025 for New Zealand premises) in the calculation under AASB 16.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

o. Key Estimates (Continued)

(v) Going Concern

The COVID-19 outbreak has impacted the way of life in Australia and New Zealand. This has led to JAS-ANZ adopting alternate modes of service delivery in continuing operations and has impacted on its operating results. In accordance with national guidelines, JAS-ANZ has implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of all employees.

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of JAS-ANZ for future periods. However, based on analysis of the financial performance and position, the financial statements have been prepared on a going concern basis. JAS-ANZ believes at the present time that there is no significant doubt about the Entity's ability to continue as a going concern.

	2021	2020
	\$	\$
2 Revenue and Other Income		
Revenue		
<i>Sales revenue:</i>		
Rendering of services	8,269,799	8,258,509
<i>Other revenue:</i>		
Interest received	37,151	71,971
Government grant funding	60,000	-
Bank charges refunded	110,033	-
Other revenue	2,595	103
	<u>209,779</u>	<u>72,074</u>
Total revenue	<u>8,479,578</u>	<u>8,330,583</u>
3 Auditors Remuneration		
Auditors remuneration:		
Auditing of the financial report	<u>28,500</u>	<u>28,500</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
4		
Gain before Income Tax		
Expenses		
Depreciation of property, plant and equipment	489,439	270,338
5		
Cash and Cash Equivalents		
Cash and cash equivalents	4,007,132	2,379,586
Financial assets - term deposit greater than 3 months maturity	3,909,830	3,832,478
	7,916,962	6,212,064
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	7,916,962	6,212,064
	7,916,962	6,212,064
6		
Trade and other Receivables		
Current		
Trade debtors	589,342	1,185,245
Less: Provision for doubtful debtors	(65,691)	(361,759)
	523,651	823,486
GST receivable	103,374	83,471
Other debtors	965	55,187
	627,990	962,144

Refer to Note 17 for further information in relation to GST receivable from the Inland Revenue Department of New Zealand.

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NOTES TO THE FINANCIAL STATEMENTS
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	2021 \$	2020 \$
7 Other Current Assets		
Accrued revenue	892,593	747,165
Prepayments	182,730	151,668
	<u>1,075,323</u>	<u>898,833</u>
8 Property, Plant and Equipment		
Plant and equipment	1,500,165	1,431,790
Accumulated depreciation	(1,131,620)	(1,003,252)
	<u>368,545</u>	<u>428,538</u>
Total property, plant and equipment	<u>368,545</u>	<u>428,538</u>

9 Right of Use Assets

JAS-ANZ entered into a three-year hire purchase / rental agreement on new server and AV equipment which ceases on 22 April 2023; a five-year property lease at Suites 2, 3 & 4 FECCA House, Phipps Close, Deakin, ACT 2600 which ceases on 28 February 2025; and a three-year lease at Berl House, 108 The Terrace, Wellington, New Zealand which ceases on 1 March 2022.

The option to extend or terminate are contained in the property leases entered into by JAS-ANZ. These clauses provide JAS-ANZ opportunities to manage leases in order to align with its strategies.

Leased plant and equipment	141,681	141,681
Accumulated depreciation	(56,259)	(9,033)
	<u>85,422</u>	<u>132,648</u>
Leased premises	1,373,599	1,371,106
Accumulated depreciation	(473,413)	(159,570)
	<u>900,186</u>	<u>1,211,536</u>
Total right of use assets	<u>985,608</u>	<u>1,344,184</u>

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	2021 \$	2020 \$
9 Right of Use Assets (Continued)		
Movement in carrying amounts:		
Leased plant and equipment:		
Net carrying amount at 1 July 2020	132,648	141,681
Depreciation expense	(47,226)	(9,033)
Net carrying amount	<u>85,422</u>	<u>132,648</u>
Leased premises:		
Net carrying amount at 1 July 2020	1,211,536	1,371,106
Additions to leased premises	2,493	-
Amortisation expense	(313,843)	(159,570)
Net carrying amount	<u>900,186</u>	<u>1,211,536</u>
10 Trade and Other Payables		
Current		
Sundry payable	221,660	306,862
Accrued expenses	113,915	100,093
Trade creditors	68,497	55,588
	<u>404,072</u>	<u>462,543</u>
11 Provisions		
Provision for annual leave	345,326	264,370
Provision for long service leave – Current	312,408	276,585
Provision for long service leave – Non-current	78,849	64,273
Total provisions	<u>736,583</u>	<u>605,228</u>
Analysis of total provisions		
Current	657,734	540,955
Non-current	78,849	64,273
	<u>736,583</u>	<u>605,228</u>

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	2021 \$	2020 \$
12 Reserve		
A reserve has been recognised on 30 June 2021 in respect of JAS-ANZ's quadrennial obligation to undergo peer evaluation. \$20,000 per annum is being set aside in reserve for the next peer evaluation due in 2025. Anticipated cost is \$80,000.		
13 Financial Liabilities		
Hire purchase – server and AV	86,395	135,764
Less: Unexpired interest charges	(2,256)	(5,426)
	<u>84,139</u>	<u>130,338</u>
Lease liability - premises	1,024,751	1,355,408
Less: Unexpired interest charges	(78,940)	(128,231)
	<u>945,811</u>	<u>1,227,177</u>
Total financial liabilities	1,029,950	1,357,515
Analysis of total financial liabilities		
Current	325,373	330,292
Non-current	704,577	1,027,223
	<u>1,029,950</u>	<u>1,357,515</u>
14 Capital and Leasing Commitments		
Lease commitments		
Non-cancellable leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not later than 12 months	8,678	9,569
Between 12 months and five years	4,575	13,253
	<u>13,253</u>	<u>22,822</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
15 Cash Flow Information		
Reconciliation of cash flow from operations with gain after income tax		
Gain after income tax	1,383,346	173,782
Non-cash flows in gain		
Depreciation	489,439	270,338
Changes in assets and liabilities:		
Decrease in receivables	188,726	664,212
Decrease in tax assets	-	-
(Increase) / decrease in prepayments	(31,062)	14,066
(Decrease) in payables	(58,473)	(75,301)
Increase in fixed assets	-	124,196
Increase in provisions	131,355	74,185
	<u>2,103,331</u>	<u>1,245,478</u>

16 Financial Risk Management

Financial Risk Management Policies

JAS-ANZ's financial instruments consist primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable / payable and leases.

The Governing Board's overall risk management strategy seeks to assist JAS-ANZ in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Governing Board on a regular basis. These include credit risk policies and future cash flow requirements.

JAS-ANZ does not have any derivative instruments as at 30 June 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

16 Financial Risk Management (Continued)

Liquidity risk

JAS-ANZ manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecasts and actual cash flows.

Credit risk

Credit risk refers to the risk that a counterparty will default in contractual obligations resulting in financial loss to JAS-ANZ. JAS-ANZ does not have any significant credit risk exposure to any single counterparty. The carrying amount of the financial assets recorded in the financial statements represents the company's maximum exposure to credit risk.

17 Contingencies

Included in the trade and other receivables (Note 6) balance is an amount receivable from the Inland Revenue Department of New Zealand (IRD) of \$174,627 for current and prior year GST credits. The credits at 30 June 2021 will continue to be available for this purpose, albeit recovery has been slow due to previous tax reconciliation issues between JAS-ANZ and IRD. JAS-ANZ has re-established dialogue with IRD and will continue to seek recovery of these GST credits.

18 Events after the Reporting Period

Effective 1 September 2021, JAS-ANZ has agreed to extend the floor area under lease in Berl House at 108 The Terrace, Wellington, New Zealand. A revised four-year lease contract comes into effect on this date, merging the existing leased premises (refer Notes 9 and 13) with the additional leased space. The new lease contract ceases on 31 August 2025.

The revised lease contract will see an increase in annual cash outflow (rental payments) of \$27,114 (plus \$4,067 GST). JAS-ANZ has no reason to believe these increased cash outflows will adversely affect the Entity's ability to continue operating as a going concern, as per Note 1(o)(v).

In accordance with the accounting treatment of existing leased premises, JAS-ANZ will account for the revised lease contract under the provisions contained in AASB 16: Leases.

JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

19 Entity Details

The office and principal place of business of JAS-ANZ is:
Joint Accreditation System of Australia and New Zealand
Australian Office:
Suites 3 & 4, FECCA House, 4 Phipps Close,
Deakin, ACT 2600, Australia

**JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND
ABN 49 614 982 550**

DECLARATION OF THE GOVERNING BOARD

The Governing Board has determined JAS-ANZ is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the Financial Statements.

In the opinion of the Governing Board the financial reports as set out on pages 1 to 21:

1. Present a true and fair view of the financial position of JAS-ANZ as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report; and
2. At the date of this statement there are reasonable grounds to believe that JAS-ANZ will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Governing Board and is signed on behalf of the Governing Board by:


Howard Duff (Sep 3, 2021 16:02 GMT+12)

Name: Howard Duff

Position: Chair JAS-ANZ Governing Board

Dated this 3rd day of September 2021


Robin Fardoullys (Sep 3, 2021 14:23 GMT+10)

Name: Robin Fardoullys AM

Position: Chair JAS-ANZ Audit Committee



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying special purpose financial report of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ), which comprises the balance sheet as at 30 June 2021, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Governing Board's declaration.

In our opinion, the financial report of JAS-ANZ is prepared:

- (i) giving a true and fair view of the organisation's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Special Purpose Financial Statements Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1(o)(v) of the financial report which notes the outbreak of COVID-19 as a global pandemic and how this has been considered by the Directors in the preparation of the financial report. The impact of COVID-19 is an unprecedented event, which continues to cause a high level of uncertainty and volatility. As set out in the financial statements, no adjustments have been made to financial statements as at 30 June 2021 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of the Governing Board for the Financial Report

The Governing Board of the organisation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Special Purpose Financial Statements Requirements and for such internal control as the Governing Board determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Governing Board is responsible for assessing the organisations ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOINT ACCREDITATION SYSTEM OF AUSTRALIA AND NEW ZEALAND

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Board.
- Conclude on the appropriateness of the Governing Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Governing Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shane Bellchambers

Shane Bellchambers (Sep 4, 2021 16:53 GMT+10)

Shane Bellchambers, FCA
 Registered Company Auditor
 BellchambersBarrett

Canberra, ACT
 Dated this 3rd day of September 2021





05

ANNEXES

THE FOLLOWING ANNEXES PROVIDE DETAILS OF MATTERS COVERED IN THE BODY OF THE REPORT.

- Meeting Attendance – Governing Board Technical Advisory Council and Accreditation Review Board
- Accreditation system structure
- International engagement – work group and tasks undertaken by JAS-ANZ Staff
- Transition arrangements – standards and schemes managed through transition
- Technical file reviews – the number and distribution of technical file reviews
- Course content development
- Information systems performance – information on the performance and reliability of JAS-ANZ information systems

A. MEETING ATTENDANCE

The following tables provide details of the meetings and attendance held over 2020–21 for the Governing Board, Technical Advisory Council and Accreditation Review Board. Normally the board would meet four times each calendar year and two meetings would be held for both the TAC and ARB. During the year a modified program of meetings was held. Seven meetings of the board were held online of comparatively short duration. The TAC and ARB convened four times in joint briefing sessions.

GOVERNING BOARD

The Governing Board met seven times during the year; all the meetings were conducted remotely. There were two retirements from the Board during the year and appointments to vacant positions were finalised in February 2021.

NAME	Eligibility	Attended
Howard Duff (Chair)	7	7
Robin Fardoulis AM (Deputy Chair)	7	7
James Galloway (CEO)	7	7
Suzanne Campbell	7	6
Alison Drury (from March 2021)	2	2
Debra Hall (from August 2020)	6	5
Veronica Jacobsen	7	7
Steve McCutcheon (from February 2021)	2	2
Jeanette Roberts	7	7
Martin Squire (retired August 2020)	4	3
Jacqui Wilkins (from February 2021)	2	2
Mike Willing (retired August 2020)	1	0



Howard Duff



Robin Fardoulis



James Galloway



Suzanne Campbell



Alison Drury



Debra Hall



Veronica Jacobsen



Steve McCutcheon



Jeanette Roberts



Martin Squire



Jacqui Wilkins



Mike Willing

TECHNICAL ADVISORY COUNCIL

The Technical Advisory Council (TAC) met four times during the year. There were two resignations from the TAC due to redeployment of the members. There were five new appointments which increased the membership of the TAC to 20 of a possible 25 members. The TAC retains an overall balance of interest linked to the accreditation system.

NAME	ORGANISATION	Interest	Eligibility	Attended
Tony Evans (Chair)	Independent Non-Executive Director	Independent	4	4
Shona Scott (Deputy Chair)	New Zealand Food Safety Authority	Regulators	4	4
Enzo Alfonsetti	Energy Safe Victoria	Regulators	4	3
Tony Bennett	Telarc SAI Ltd	Conformity Assessment Bodies	4	1
Kiran Bhagat (from March 2021)	SAI Global	Conformity Assessment Bodies	1	1
Richard Burrow (from September 2020)	AsureQuality Ltd	Conformity Assessment Bodies	3	3
Marie Colwell	Colwell Sacerdoti Healthcare Management Consultants	Health and Human Services	4	4
Simon Dorries (from October 2020)	Responsible Wood	Certification Bodies and Sustainability	2	2
Alex Kay	Ministry of Business, Innovation and Employment	New Zealand Government	4	3
Heather Mahon (retired March 2021)	SAI-Global	Conformity Assessment Bodies	3	2
Ian McAlister	Consumer Electronics Suppliers' Association (CESA)	Industry	4	4
Teresa McMaugh	WELS: Department of Agriculture	Regulators	4	4
Leon Michailidis	Equal Assurance	Conformity Assessment Bodies	4	4
Geoff Overton	Retired Manager of Airline Safety Systems and Regulatory Compliance	Industry	4	3
James Thomson	Australian Industry Group	Industry	4	4
Marty Vandermolen (retired March 2021)	Department of Industry, Science, Energy and Resources	Australian Government	3	3
Mike Willing (from September 2020)	Retired	Regulators	3	3
Hamish Wilson	Consumer New Zealand	Consumers	4	4
Graeme Wolf (from June 2021)	Department of Industry, Science, Energy and Resources	Australian Government	0	0
Darryl Yaniuk	Quality Management Consultant	Industry	4	4

ACCREDITATION REVIEW BOARD

The Accreditation Review Board (ARB) met four times in conjunction with the TAC. There were no changes to membership. The oversight role of the ARB was conducted through its online portal and the ARB Chair provided regular reports to the Governing Board on the operation of the ARB and internal decision-making.

NAME	ORGANISATION	Eligibility	Attended
Geoff Overton (Chair)	Retired Manager of Airline Safety Systems and Regulatory Compliance	4	2
Anthony Bartolo (Deputy Chair)	Contractor	4	3
Mike Batty	Management Systems Consultant	4	3
Simon Dawes	Carbon Change Australia	4	3
Steve Keeling	JAS-ANZ General Manager Accreditation	4	4
Marc Morain	Department of State Development, Tourism, and Innovation	4	3
Peter Phillips	Retired Quality Professional	4	1
Shona Scott	New Zealand Food Safety Authority	4	4
Darryl Yaniuk	Quality Management Consultant	4	4

B. ACCREDITATION SYSTEM STRUCTURE

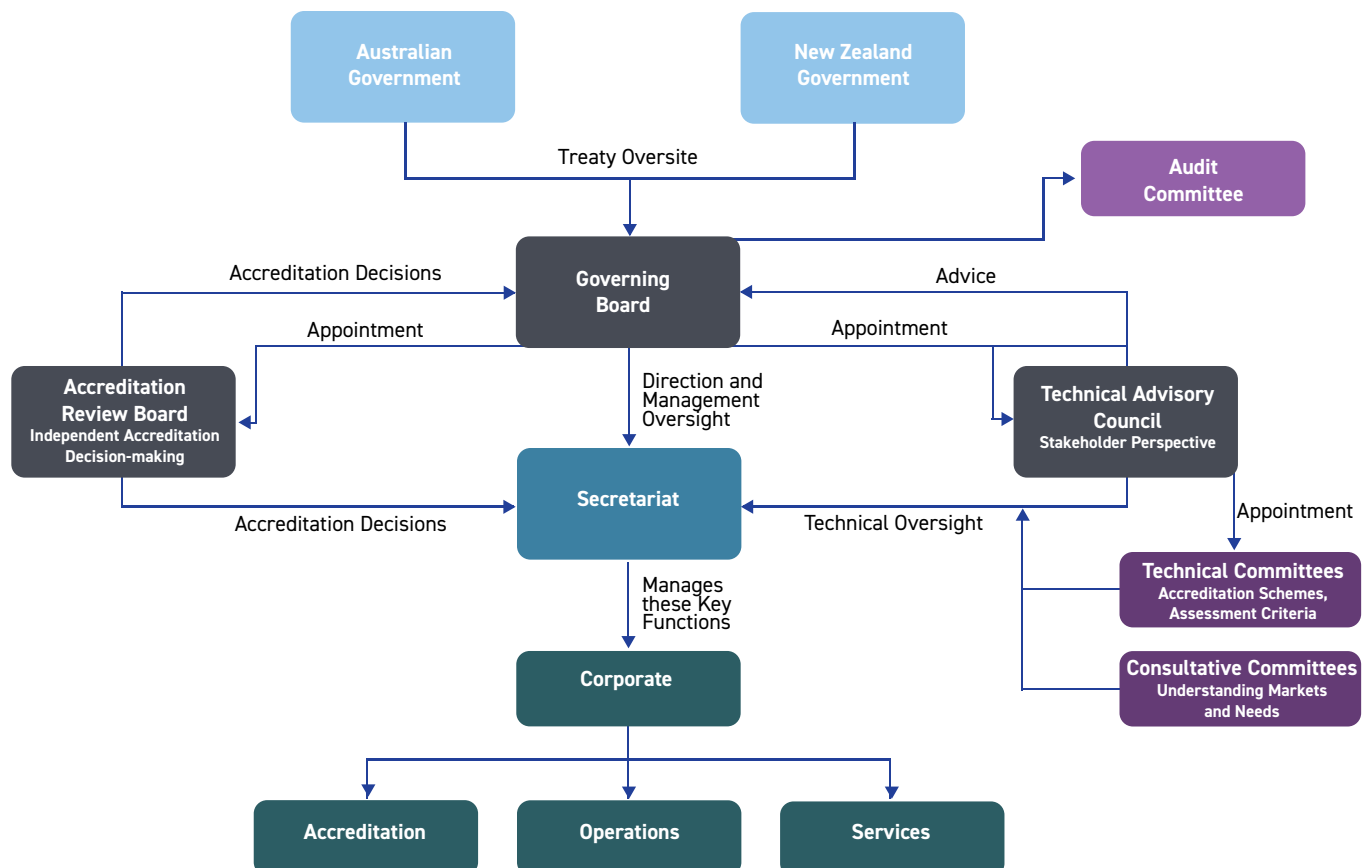
The system diagram below shows the elements that make up the accreditation system.

JAS-ANZ's structure is defined in the Treaty. A Governing Board appointed by the Australian and New Zealand governments is responsible for overseeing the organisation's operations.

The Governing Board appoints the Technical Advisory Council to provide advice on matters such as the operation of the Accreditation Review Board. The Accreditation Review Board ensures independent decision-making about accreditation.

The Technical Advisory Council also works with management as a stakeholder forum and has a strong focus on the impartial operation of the accreditation system

JAS-ANZ Accreditation System Structure



C. INTERNATIONAL ENGAGEMENT

The following table identifies the areas where JAS-ANZ took an active role in international working groups. These activities generally involve development of policies and procedures for coordination of activity between accreditation body members including common controls that apply to accredited bodies.

Group	Description
APAC	APAC EC Sub-committee on EU Regulations 765(2008) and EA Actions
APAC	WG ISO 22301:2019 Security and Resilience Business Continuity management systems – Requirements
APAC	Working Group Co-Chair for the Food Regulator Working group.
IAF	Application of ISO 14065:2013 (Greenhouse Gas (GHG) validation or verification bodies
IAF	Audits of Integrated Management Systems
IAF	Accreditation assessment of Conformity Assessment Bodies with activities in multiple countries
IAF	Application of ISO/IEC 17011:2017 in Greenhouse Gas validation and verification
IAF	Harmonized sanctions and control of fraudulent conduct
IAF	WG on Food- Co-convenor and liaison to CODEX, GLOBALG.A. P and FAMI-QS, MD16 revision
IAF	Certification of Persons
IAF	TF on Competence of Assessors - IAF MD 20
IAF	GFSI Race To The Top: audit performance improvement for global food safety
IAF	Database Management Committee (DMC)
ILAC	Inspection Committee - ILAC P15
IAF	Competence, consistent operation, and impartiality of accreditation bodies.
IAF	TF Witnessing Activities for the Accreditation of Management Systems Certification Bodies
IEC	IEC CAB/IAF WG and the and
IEC	IECEE CMC WG 24 - Infringements and enforcement
IEC	IECEE CMC WG 34 - Certification of Personnel Competency (CoCP) scheme.
ISO CASCO	Maintenance groups for: ISO/IEC 17011, ISO/IEC 17065, and ISO/IEC 17021-1.
ISO CASCO	Future of the CASCO Toolbox
ISO CASCO	JWG36 - Development of ISO 22003 Parts 1 and 2

D. TRANSITION ARRANGEMENTS

Transitions involve moving system elements from one version of a standard or scheme to another. These can be complicated arrangements involving global coordination with other accreditation bodies.

JAS-ANZ examines the terms of each transition by comparing the existing standard or scheme with the proposed changes to determine which pathway the transition should take. In general, we have adopted a self-declaration system to the greatest extent possible. This reduces the cost and effort of implementing transitions. During the year 16 transitions were initiated and managed.

PROGRAM	SCHEME	TRANSITION TITLE	POLICY PUBLICATION DATE	TRANSITION DEADLINE	TRANSITION CLOSURE DATE
Management	FSSC	FSSC22000 Version 5.1 November 2020	16/02/2021	1/03/2021	1/04/2022
Management	FAMI-QS	FAMI-QS Rules for CBs, V8 Rev 3, and CoP V6 Rev 4	11/05/2021	14/06/2021	1/07/2021
Product	IFA	IFS Food, Version 7 – October 2020	21/02/2021	30/04/2021	1/05/2021
Product	Synlait	Synlait LWP Rules and Procedures 2021	1/06/2021	26/08/2021	27/08/2021
Product	SQF	SQF Criteria for CBs, auditor and technical reviewers, edition 9	21/03/2021	31/08/2021	1/09/2021
Product	GGIFA	GLOBALG.A.P. IFA, v5.4-GFS	6/11/2020	16/11/2020	17/11/2020
Product	RTAC	RTAC Scheme – 16 September 2020	16/09/2020	31/12/2020	1/01/2021
Product	RAFOOD	Migration from FSP to RAFOOD Scheme including Transition to ILAC-P15:05/2020	11/01/2021	25/01/2021	26/01/2021
Product	Freshcare	Freshcare FSQ Standard Edition 4.2 & CB Criteria Issue 3.0	12/02/2021	31/03/2021	30/04/2021
Product	BRCGS	BRCGS Storage and Distribution Issue 4	1/04/2021	16/04/2021	1/05/2021
Product	SQF	SQF Code Edition 9	28/10/2020	23/04/2021	24/05/2021
Product	JFS-C	JFS-C Version 3.0 – October 2020	30/01/2021	1/06/2021	2/06/2021
Product	FTGS	Fonterra Trusted Goodness Scheme Rules V6	4/06/2021	18/06/2021	30/06/2021
Product	ANZEx	ANZEx Certified Equipment, Issue 1	18/01/2021	19/06/2021	20/06/2021
Product	Synlait	Synlait LWP Complete Requirements 2021–22	1/05/2021	1/08/2021	16/07/2022
Inspection	IVA	ILAC-P15:05/2020-1 transition for inspection schemes	25/05/2021	30/09/2021	1/11/2021.

E. TECHNICAL FILE REVIEWS

Technical file reviews investigate the content of select files to determine the adequacy and correctness of the evidence used to support a certification decision.

File review is necessarily based on sampling techniques. The number of files reviewed will depend on factors such as the number of certificates, the number of CABs servicing a scheme and the complexity and risk profile of the scheme.

The distribution of file reviews carried out during the year is shown below.

Category	Files reviewed	Category	Files reviewed
Building and construction	37	Hazardous location	5
Electrical	88	Human Services	121
Environment	8	Plumbing	72
Food and On-farm	164	Telecommunications	5
Gas	45	Timber Products	26
General	21	Total	592

F. COURSE CONTENT DEVELOPMENT

The development of new course content progressed well throughout the year, with the following new content under way.

Course	Content
Certification Practice	
IAF MDs 1, 5, 11	Effective use of guidelines for determining audit duration.
Calculation of audit time duration using IAF MDs 1, 5 and 11	Guidance in calculating audit duration and sampling where there are multiple factors to be considered such as multi-site, multi-system, and multi-certification.
Program Standards	
Introduction to ISO/IEC 17020 for Inspection	The basic elements of an inspection program as well as how and when it might be used in preference to certification.
Introduction to ISO/IEC 17024 for Certification of Persons	The principles, the standards requirements, linkages between clauses in the standard, and its application to meet accreditation requirements.
Introduction to Conformity Assessment	Understanding conformity assessment and key elements including accreditation, certification, standards, and schemes.
Certification schemes	
Developing and Managing Certification Schemes	Insights into what makes a good scheme and how to develop an effective scheme that supports the market. The course will cover the ongoing management of certification scheme
Introduction to Schemes	What constitutes a scheme is and what makes a good scheme.

G. INFORMATION SYSTEMS PERFORMANCE

This table presents the incidents and downtime in JAS-ANZ's information systems during the year.

JAS-ANZ experienced a total of 38 hours of degraded service in some component of its information systems. Only six hours were lost due to planned downtime. Intrusion attempts were (and are) continually monitored and action taken.

Measure	Occurrence	Incident	Commentary
Hours lost due to systems downtime			
	31/08/2020	Communication failure	Teams and Outlook services were degraded for approximately two business hours
	29/09/2020	Authentication failure	Most Microsoft services were degraded for two to four business hours due to a data centre failure that interrupted Microsoft's common authentication mechanism
	24/11/2020	Power outage	At 2.10 am the JAS-ANZ Canberra office experienced a power outage. The battery backup system then ran dry before power was restored. All services were restored by 8.30 am that same day, so approximately a two-hour outage
	30/11/2020	JAS-ANZ Register outage	A failed data synchronization caused the public register to return zero results for one business day
	16/03/2021	Authentication failure	Most Microsoft services were degraded for three to eight business hours due to a faulty upgrade Microsoft pushed through their common authentication mechanism
	10/06/2021	AMS.Core.Host.exe failure	Several services were degraded (MYOB, Dynamics 365, Public Register, Certificate Upload Portal) across two business days due to an application failure
2. Planned systems downtime	-	-	A total of six hours of downtime was planned for and occurred during business hours
Planned system downtime occurred outside of business hours			
3. Intrusion attempts	17/08/2020	Exploit Scanning	JAS-ANZ experienced targeted exploit scanning. Most of our public IP addresses were scanned across all ports, using a variety of protocols
	Ongoing	Port scanning	JAS-ANZ experiences ongoing port scanning across common service ports daily
4. Average time to service system improvement requests (249 requests)	July 2020 – June 2021		Six days, including the service improvement requests that were converted to projects
	July 2020 – June 2021		Two days, excluding those that were converted to projects.



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