COORDINATION: Setting, maintaining, and enforcing standards for membership

Some industry associations conduct activities to set, maintain and enforce standards for membership. These activities aim to develop and promote the reputations and credibility of members and the legitimacy of the industry. Activities may include setting and enforcing professional, environmental, and behavioural criteria for membership, publicly endorsing membership criteria to infer quality and credibility of members and producing a ‘best practice’ guide or certification process for members.

Sixty one percent of participants responded that their industry associations implement activities to set, maintain and enforce standards for membership.

Of the industry associations that implement these activities, most regard setting and maintaining standards for membership as moderately to very important for achieving all industrial development goals.

![Importance of membership standards to achieving industrial goals](chart)

**Firm improvement:** Most participants regarded activities to set, maintain and enforce standards to be moderately or very important for developing a firm’s capabilities to improve its current activities.

**Firm value adding:** Most participants regarded activities to set, maintain and enforce standards to be moderately or very important for developing a firm’s capabilities to undertake new, higher value activities.

**Firm diversification:** Most participants regarded activities to set, maintain and enforce standards to be moderately important for developing a firm’s capabilities to enter new industry sectors.

**Industry development:** Most participants regarded activities to set, maintain and enforce standards to be very important for developing the industry’s collective capabilities to improve its current activities.
Industry value-adding: Most participants regarded activities to set, maintain and enforce standards to be moderately or very important for developing the industry’s collective capabilities to undertake new higher value activities.

Institutional development: Most participants regarded activities to set, maintain and enforce standards to be moderately or very important for improving or establishing a more favourable economic, political and/or social operating environment for individual firms and the industry.

Participants were asked which of three activities to set, maintain and enforce standards the industry association undertakes:

Summary:
These activities are important tools for building and promoting the reputations of the members and legitimacy of the industry. Some industry associations design training or Best Practice guides as self-regulatory mechanisms that members can also use to promote their reputations among potential customers.

While setting and enforcing standards for membership and publicly promoting membership standards were scored in the mid-80% range, producing a certification of Best Practice guide was only implemented by 62% of these participants. There are a few reasons why these activities may not be used by some industry associations:

- In some industries, customers enforce standards (e.g., ESG requirements) to which suppliers must conform to gain contracts
- In industries that supply regulated equipment such as medical equipment, manufacturers and suppliers must comply with government regulations set by regulatory bodies such as the TGA
- Small industry associations may rely on peak bodies to conduct these activities.