



**PUBLIC EDITION WITH REDACTIONS**

12 September 2025

National Competition Analysis 2025  
Productivity Commission  
Locked Bag 2, Collins St East  
Melbourne VIC 8003

Dear Commissioners,

**SUBMISSION – PRODUCTIVITY COMMISSION NATIONAL COMPETITION POLICY (NPC)  
ANALYSIS 2025 INTERIM REPORT**

Thank you for the opportunity to provide further input following the Productivity Commission's Interim Report for the National Competition Policy (NCP) Analysis 2025.

Standards Australia is recognised as Australia's peak national standards body under a Memorandum of Understanding (MoU) we hold with the Commonwealth of Australia. As Australia's national standards body, we collaborate with government, industry and consumers to develop and adopt fit-for-purpose technical standards that aim to ensure products and services are safe, efficient, and benefit the Australian community. As Australia's representative to the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), we are also specialists in the development and adoption of internationally-aligned standards in Australia.

In addition, we are required to act in a way that is consistent with Australia's international obligations under the World Trade Organization (WTO) Agreement on Technical Barriers to Trade (TBT Agreement). In particular, we are obligated to develop Australian Standards based on International Standards, unless there is a justifiable reason not to do so because of fundamental climatic or geographical factors or technological problems.

Our work is underpinned by decades of reform, consistent with best-practice regulatory principles, including recommendations from successive National Competition reviews.

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Should you have any questions, please do not hesitate to contact Standards Australia's Head of Government Relations and Public Affairs, Brad Vermeer via email at Redacted.

Yours sincerely,

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**Rod Balding**  
Chief Executive Officer

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**SUBMISSION ON THE**

# **Productivity Commission National Competition Policy (NCP) Analysis 2025**

**Interim Report**

## EXECUTIVE SUMMARY

Standards Australia welcomes the Interim Report's focus on adopting international and overseas standards and harmonising regulated standards across Australia. As Australia's peak national standards body, we are committed to supporting reforms that enhance regulatory efficiency and consistency, while maintaining the rigour, transparency and safety outcomes of our standards system. This submission builds on our initial June 2025 contribution, highlighting key points and updates in response to the Commission's interim findings.

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### KEY POINTS

- We strongly support the Commission's emphasis on greater harmonisation of standards with international standards, and where no international equivalent exists, overseas standards.
- Noting that the benefits of harmonisation vary by sector and by specific application of each standard, we also support the Commission's acknowledgement that costs and benefits must be assessed on a case-by-case basis.
- We strongly maintain our recommendation that domestic harmonisation of regulated standards should be prioritised by the Productivity Commission as the most immediate and achievable lever for improving national productivity.
- We emphasise that regulatory reviews of mandated standards must occur in conjunction with Standards Australia's technical committees to reduce the risk of further standards and regulatory fragmentation. Parallel recognition systems operating outside the national standards body risk undermining transparency, consistency, safety and ultimately public trust.
- Standards Australia has commenced a review of non-aligned standards and plans to expand this work to more systematically consider overseas standards. An 'equivalent standards' initiative will be trialled to determine its value and applicability.
- We are undertaking an independent, end-to-end review of our technical committee processes to strengthen governance, monitor any conflicts of interest (perceived or actual), and ensure impartial, public-interest outcomes.
- We support government funding to improve access to mandated standards, noting that sponsored access models offer a balanced pathway. We, however, caution that the Commission's \$7 million estimate is not an accurate reflection of costs, due to the methodology using a simplified model of funding for standards development which has ultimately impacted the reliability of this figure.
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- On occupational licensing reform, we support measures that improve labour mobility while ensuring safety and competency frameworks remain robust and aligned with standards.

### Interim Recommendation 1 – Priority area for reviews of standards

We acknowledge that the Commission's recommendation is directed at Commonwealth, State and Territory governments. However, any review of mandatory standards must involve Standards Australia's technical committees to ensure transparency, consistency, appropriate use of industry expertise and safety. Alignment with international standards remains our priority, but reforms must leverage Australia's established standards processes rather than create parallel systems.

To support this, we are proactively expanding our adoption framework to more systematically consider overseas standards where international standards do not exist. As part of this, we intend to pilot an 'equivalent standards' initiative, to determine its value and applicability. Lessons from this pilot will inform broader application across sectors.

We are also strengthening governance to maintain the integrity of the standards process. An independent end-to-end review of technical committees is underway to ensure balanced representation, enhanced conflict-of-interest protocols, and faster resolution of deliberations.

### OUR RECOMMENDATION

**1. Regulators' review of standards should occur in conjunction with Standards Australia's committees, not via parallel processes.**

We urge that any recommendation for regulators to review or accept international or overseas standards explicitly involves collaboration with the national standards body. Creating a separate recognition system outside of Standards Australia's established committee process is not a desirable outcome, as it would bypass proven safeguards of consensus, public consultation and World Trade Organization (WTO) aligned scrutiny for suitability in the Australian context. Close engagement with Standards Australia's technical committees will ensure that international alignment efforts benefit from expert industry input, reduce the risk of further fragmentation, and maintain transparency and consistency across jurisdictions.

### OUR COMMITMENTS

**1. Standards Australia will continue to prioritise the adoption of international standards, considering overseas standards where needed.**

Our priority will always be to adopt international standards, as these are developed through multilateral organisations, presumed not to create technical barriers to trade, and provide opportunities for Australia to contribute and influence their development. Where no international standard exists, overseas standards will be considered. To this end, we are preparing to pilot an 'equivalent standards' initiative, which will assess the suitability of overseas standards for recognition as equivalent or alternative to Australian Standards in collaboration with our technical committees and relevant regulators. Pending the results of this pilot, the approach could be expanded to other sectors, creating a clear pathway for overseas standards to become recognised within Australian Standards where appropriate. This integrated model combines efficiency with due diligence to safeguard local needs and safety and offers a more sustainable pathway to harmonisation than automatic external adoption.

**2. Ongoing reforms to committee governance will safeguard impartiality and public interest in standards development.**

We are committed to addressing the challenges of delays currently caused due to alignment with our processes, as well as enhancing conflict-of-interest protocols for those involved in the standards development process. To achieve this, an independent review of technical governance is underway, to solidify conflict-of-interest requirements (including those due to protectionism), tighten justification for national deviations, and expedite committee impasses.

These reforms will ensure balanced, transparent processes and build confidence that standards decisions are based on merit and net benefit alone, enabling faster international, and potentially overseas, adoption.

### **Interim Recommendation 2 – Governments should fund access to standards in legislation**

We strongly support the Commission's recommendation that governments facilitate free or low-cost access to mandated standards. Improving access to mandated standards will strengthen compliance outcomes and enhance regulatory transparency.

At the same time, this issue is more complex than suggested in the Interim Report. The Commission's estimate for the cost of providing free access to standards of \$7 million per annum, based on a proportional allocation of our revenue, does not accurately reflect actual expenditure. This is primarily due to the methodology using an oversimplified model of funding for standards development which has ultimately impacted the reliability of this figure.

Standards Australia develops standards in the net benefit of Australian communities, many of which do not recoup the cost of their development. Our standards system relies on revenue from a small number of standards with a broader footprint or application, which in turn supports the development and maintenance of thousands of other standards that underpin safety, productivity and innovation across the economy.

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### **Interim Recommendation 3 – The scheduled independent evaluation of Automatic Mutual Recognition**

The Commission estimates that improved labour mobility through occupational licensing reform could generate benefits of up to \$846 million annually (0.04% of GDP). Standards Australia supports reform in this area, provided it maintains appropriate safeguards.

Standards are the technical foundation for competency frameworks, training and safety requirements. Any reforms to licensing arrangements must ensure consistency with referenced standards and avoid lowering safety or competency thresholds.

We support the scheduled independent evaluation of Automatic Mutual Recognition (AMR) and see merit in exploring national licensing arrangements where AMR exclusions undermine labour mobility.

### Interim Finding 1 – Mandated standards largely align but there are many bespoke standards

We acknowledge the Commission's careful treatment of the dataset and its caveats, and we agree it is important to recognise the limitations. Specifically:

- The dataset may not capture all references currently in legislation across jurisdictions and should therefore be regarded as indicative rather than exhaustive.
- Manual updates undertaken by Standards Australia focus on new standards being published or revised, meaning that regulatory amendments which add or remove references may not be fully reflected.

The Interim Report identifies 21 mandated standards not aligned with an international equivalent. Our review indicates that most fall into two principal categories:

#### 1. Specific Australian conditions

In some cases, international standards cannot be adopted without creating material risks or requiring costly infrastructure transition. For example:

- *AS 1033.1-1990 and AS 1033.2-1988 (High voltage fuses)* – These standards are based on the International Electrotechnical Commission (IEC) standards, however, they are not equivalent to their latest editions, as the IEC standards do not account for bushfire risk, which is critical in Australia.
- *AS 1222.1-1992 (Steel conductors and stays)* – Australian practice is based on fixed wire size increments, while IEC defines rounded conductor areas. Adopting the IEC approach would require costly re-engineering of Australia's existing transmission and distribution infrastructure, making alignment impractical.
- *AS 4484:2016 (Gas cylinders for industrial, scientific, medical and refrigerant use – Labelling and colour coding)* – This standard is based on the International Organization for Standardization (ISO) 32 *Gas cylinders for medical use – Marking for identification of content* colour coding principles and ISO 817 *Refrigerants – Designation and safety classification* refrigerant numbering, but introduces additional Australian requirements not covered internationally. These include identification for liquid withdrawal using educator tubes and provisions for refrigerant gases. It also operates alongside national standards such as AS 2030 *Gas cylinders* and AS 2473 *Valves for compressed gas cylinders* to ensure a coherent framework.

#### 2. Timing of development

In some cases, the timing of the Australian and international standards was mismatched or overlapped. For example:

- *AS 4758 series (Lifejackets)* – When the ISO 12402 series was published in 2020, it didn't include children's sizes, whereas the Australian standard includes children's sizes down to 10 kg. The Australian standard also retains stricter requirements, such as safety colours for certain lifejacket levels, which are not practical or preferred internationally. Importantly, ISO has now agreed to commence a major revision in November 2025 using the Australian series as the base documents, including children's sizes. This will likely enable Australia to transition to the ISO series once the revision is complete, modified or otherwise.
- *AS 10002:2022 (Guidelines for complaint management in organizations (ISO 10002:2018, NEQ))* – The previous edition of this standard was an identical adoption of ISO 10002:2006. While Australia participated in the development of the current ISO 10002:2018 edition, several proposed changes were not incorporated internationally.

A national revision was therefore undertaken in 2022 to address recommendations from a Royal Commission and align with domestic regulatory requirements. These updates are now being put forward to ISO for consideration in the next revision of the international standard.

These examples show that divergence from international standards generally reflects legitimate contextual factors – such as Australia’s unique safety and environmental conditions or regulatory requirements, the timing of standards development, or the cost implications of infrastructure change. A small number of standards will require closer consideration to confirm the rationale for non-alignment.

The Commission also identified 675 mandated standards with no international equivalent. We undertook a review of this list against our Standards Information Management (SIM) database. Using both title-matching and semantic comparison tools (Term Frequency-Inverse Document Frequency (TFIDF), Sentence Transformers, and a Hyper Personalised Engine (HPE) vector embeddings with an 80% similarity threshold, we identified a small number of potential matches.

However, these were limited to related international documents of types such as Publicly Available Specifications, Technical Reports or Technical Specifications, and not full international standards. Importantly, no direct international equivalents were identified. This confirms that many of these standards are bespoke to the Australian context, particularly in construction, manufacturing and professional services, and serve valid local needs.

For the 40% of mandated standards referenced in regulation that are outdated, we believe a useful recommendation from the Commission would be that all regulatory instruments in Australia be made available in electronic format, enabling systematic monitoring and updating of standards references. This would substantially improve efficiency, transparency and compliance.

Finally, we note the outcome of the Treasurers’ Meeting on 5 September 2025, where Commonwealth, State and Territory Treasurers agreed to expand NCP priorities to include further action on recognising international standards and harmonising state standards. Priority sectors include building and construction, electrical products, resource management, transport, renewable energy, agricultural and veterinary chemicals, and consumer goods. Standards Australia welcomes this development and reiterates that we stand ready to support jurisdictions in undertaking these reviews, ensuring that alignment efforts proceed in partnership with the national standards framework and are underpinned by transparency, rigour, safety and public trust.

## **Interim Finding 2 – Economic benefits from harmonising Australian regulated standards with international or overseas standards**

We acknowledge the Commission’s estimate that harmonisation could deliver benefits in the range of \$1.9 billion to \$3.8 billion annually (0.1–0.2% of GDP) if compliance were permitted with international standards for the 21 non-aligned mandated standards, and with appropriate overseas standards for a quarter of the 675 mandated standards with no international equivalent.

While these figures provide a useful upper-bound estimate, we strongly support the Commission’s recognition that the actual costs and benefits of harmonisation must be assessed on a case-by-case basis. Our analysis and examples show that outcomes vary significantly depending on sector, timing, and the specific application of each standard. As indicated, for some of the 21 mandated standards, the costs of alignment may in fact outweigh the benefits. We therefore encourage the Commission’s final report to reinforce the need for detailed modelling at the level of individual standards or sectors, so that projected economic benefits are grounded in realistic assessments of feasibility, transition costs, and the broader public interest.

## CONCLUSION

Standards Australia supports the Commission's broad direction in the Interim Report. We agree that harmonisation, improved access, and licensing reform can deliver significant productivity gains. At the same time, reforms must be carefully implemented to preserve transparency, safety and public confidence in the standards system.

The most effective pathway forward is through:

- regulator reviews conducted in partnership with Standards Australia's technical committees;
- systematic expansion of our adoption framework to international and, where appropriate, overseas standards;
- strengthened governance to ensure efficient and effective decision-making; and,
- sustainable approaches to funded or sponsored access to mandated standards.

Standards Australia stands ready to work with governments, regulators and the Productivity Commission to progress these reforms. By aligning ambition with implementation, Australia can secure both the efficiency benefits of harmonisation and the integrity of a trusted, transparent standards system.





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