Amazon Submission to Productivity Commission

‘5 Pillars’ Productivity Inquiries

15 September 2025

INTRODUCTION

Amazon welcomes the opportunity to respond to the Productivity Commission (**PC**) interim reports and draft recommendations on the ‘5 pillars’ of productivity.[1] This submission builds on our initial submission[2] addresses issues raised under Pillar 1 (‘*Creating a more dynamic and resilient economy*’), Pillar 3 (‘*Harnessing data and digital technology’*) and Pillar 4 (‘*Building a skilled and adaptable workforce*’).

Amazon’s mission is to be Earth's most customer-centric company; we work backwards from what customers want and focus on providing choice, innovative products and value. Our unrelenting customer focus promotes competition in the sectors in which we operate, including the retail and IT sectors, and our innovations often result in follow-on innovations, more competition, and better customer outcomes. In both retail and IT, customers have many options and alternatives to choose from.

Since launching our cloud and retail businesses in Australia, Amazon has sought to deliver the benefits of our world-class innovations and services to contribute to Australian productivity. Earlier this year, we announced we will invest an additional $20 billion in Australia from 2025 to 2029 to expand, operate, and maintain our data centre infrastructure, strengthening Australia’s cloud and AI capabilities. This is in addition to the $10 billion we have invested in digital infrastructure and new renewable energy generation since launching in Australia in 2012.

We currently employ around 7,000 people in Australia across our Amazon.com.au, Amazon Web Services (AWS), Amazon Devices, and Audible businesses.

Amazon agrees with the PC interim report findings that regulatory systems should enable rather than hinder growth, investment and innovation. Investment and innovation in technology are essential to drive future growth in productivity.

This submission provides some feedback on the PC’s draft recommendations and initial observations on the approach Amazon believes the Government should take to economic regulation generally, as well as supporting examples of particular regulations and areas of policy.

[1] Amazon Commercial Services Pty Ltd (**Amazon AU Retail**) and Amazon Web Services Australia Pty Ltd (**AWS**) (together, **Amazon**). Note: all links to online sources are as accessed at 15 September 2025.

[2] Amazon submission, *Pillar 1: Creating a more dynamic and resilient economy*, June 2025, https://engage.pc.gov.au/projects/dynamic-resilient-economy/page/pillar-1-responses.

PILLAR 1: CREATING A MORE DYNAMIC AND RESILIENT ECONOMY

Amazon endorses the inquiry Draft Recommendations 2.1, 2.2 and 2.3.

As the PC notes in the interim report, business investment in Australia has fallen notably over the past decade, which has contributed to Australia's lacklustre productivity performance. At the same time, the cumulative regulatory burden on business in Australia has increased. The interim report rightly highlights the burdens imposed on business by fragmented, duplicative, and slow regulatory processes.

An agenda for regulatory reform to support the role of technology in growth and innovation

Amazon commends the PC's Draft Recommendation 2.1 for a whole-of-government statement that sets out a clear agenda for regulatory reform, with clear principles and measurable targets to reduce regulatory burdens and promote economic dynamism. The opportunity to deliver regulatory reform is not only important but timely given the challenges facing the Australian economy and, as the Treasurer recently noted, the need to '*encourage a more effective balance between growth and risk when it comes to our regulators*'.[3]

The whole-of-government statement should explicitly acknowledge the role of technology in building dynamism and improving productivity outcomes though innovation and investment. It should also include targets to review the existing regulatory burden and address barriers to innovation. As the Treasurer noted in a speech last year,[4] the keys to future productivity growth are enabling investment and innovation, particularly in areas with rapidly evolving technology. Similar comments were made recently by the Government's then-Special Envoy for Cyber Security and Digital Resilience (now Assistant Minister for Science, Technology and the Digital Economy) Dr Andrew Charlton MP:

> *'The biggest thing that we can do … to set Australia up for another generation of prosperity is to digitise the Australian economy, to recognise that the meal ticket of Australia will be built in the global digital economy over the next several decades.*
>
> *We need to work across every dimension of our government, of our industries, of our society, to grab that opportunity.'*[5]

Governments around the world are increasingly focusing on the link between regulation and economic dynamism, and the role of technology. We note two examples below.

Example 1: The Draghi Report[6] into European competitiveness found that a key driver of the rising productivity gap between the European Union (**EU**) and the US has been digital technology, and if current trends continue Europe looks set to fall further behind. Importantly, the report found the main reason EU productivity diverged from the US in the mid-1990s was Europe's failure to capitalise on the first digital revolution led by the Internet, both in terms of generating new technology companies and diffusing digital technology into the economy. The Draghi Report found Europe must increase its innovation efforts to bridge the gap with the US and China, identifying an investment shortfall of €750-800 billion per year. The concern that over-regulation is harming innovation in the EU was echoed recently by the European Commission (**EC**) Vice President Henna Virkkunen who said *'… the Commission will this year present at least five legislative simplification*

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[3] The Hon Dr Jim Chalmers MP, *Economic Reform Roundtable, tax, productivity, road user charge*, Press Conference, 21 August 2025, https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/transcripts/press-conference-canberra-26.

[4] Treasurer's Address to the Australian Business Economists, *Building a new economy on 5 pillars of productivity*, 13 November 2024, https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/speeches/address-australian-business-economists.

[5] InnovationAus, *Tech and AI: 'The politics of this is not straightforward'*, 11 February 2025, https://www.innovationaus.com/tech-and-ai-the-politics-of-this-is-not-straightforward/.

[6] Draghi, Mario, *The future of European competitiveness – Part A competitiveness strategy for Europe,* 9 September 2024 (**Draghi Report**), https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en, ch. 2.

packages, which will cut down on the extra bureaucracy, above all in order to promote investment and innovation in Europe'.[7]

Example 2: The UK government has also recently acknowledged its regulatory framework is holding back growth and investment and has opted for a reset. In March this year, the Chancellor of the Exchequer announced a '*Radical action plan to cut red tape and kickstart growth*' including a pledge to cut the administrative cost of regulation on business by a quarter to '*make Britain the best place to do business and drive economic growth'*.[8] This includes addressing regulation that is '*too complex and duplicative*', and '*a regulatory approach that is too risk averse'*, which has the effect of stifling progress, innovation and economic dynamism.[9]

These are not vague hopes. The UK Government is implementing its pro-growth agenda through various policy and legislative measures across all departments and agencies. Two significant examples are, first, the extension of the existing "Growth Duty" under the *Deregulation Act 2015* to key sectoral regulators and, second, the issuing of a "Strategic Steer" to the Competition and Markets Authority (**CMA**). The growth duty requires UK Government regulators to consider the "impact of their decisions on economic growth, within the sectors they directly regulate and the broader UK economy, alongside or as part of consideration of their other statutory duties."[10] As part of this, the UK Government has worked with regulators to develop a 'Growth Duty Performance Framework' including detail of requirements for regulators to report on how they are delivering economic growth.

Similarly, the Strategic Steer requires the CMA to exercise its functions with a focus on innovation and investment.[11] The Strategic Steer makes clear that the CMA should "*give appropriate consideration*" to "*prioritising pro-growth and pro-investment interventions"* and ensure its regulatory actions to be "*swift, predictable, independent and proportionate*". Reflecting the role of technology in building dynamism and productivity, the CMA should "*use the new Digital Markets Competition and Consumers Act (DMCCA) digital market regime independently, flexibly, proportionately and collaboratively to effectively unlock opportunities for growth across the UK digital economy and the wider economy. Recognising that the development of markets driven by new and emerging technologies is not always easily predictable, the CMA should take particular care to collaborate with all interested parties to ensure growth and innovation benefits are prioritised*".

The Growth Duty and the Strategic Steer are very similar to the PC's Draft Recommendation 2.1, which Amazon endorses, that "*The Australian Government should adopt a whole-of-government statement that commits to new principles and processes to drive regulation that supports economic dynamism*." This is particularly relevant given the similarities between Australia and the UK in government and legal institutions, process and practices.

Setting a high bar through accountability to ensure proportionate and well-designed regulations

Increased accountability and scrutiny of the need for new regulation and the application of existing regulation is needed to deliver a regulatory environment that enables businesses to invest and innovate to drive productivity growth. The best way to reduce the incidence of poorly-designed regulation is to set a high bar to avoid the creation of regulation in the first place. Any new

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[7] Channel News Asia, *Europe set to simplify corporate regulation, EU's digital chief says*, 20 February 2025, https://www.channelnewsasia.com/business/eu-digital-chief-will-propose-plans-ease-regulation-4949491.

[8] UK HM Treasury, *Radical action plan to cut red tape and kickstart growth*, March 2025, https://www.gov.uk/government/news/radical-action-plan-to-cut-red-tape-and-kickstart-growth.

[9] UK HM Treasury, *Policy Paper: New approach to ensure regulators and regulation support growth*, March 2025, https://www.gov.uk/government/publications/a-new-approach-to-ensure-regulators-and-regulation-support-growth/new-approach-to-ensure-regulators-and-regulation-support-growth-html.

[10] UK Government, *Statutory guidance: Growth duty,* May 2024, https://www.gov.uk/government/publications/growth-duty.

[11] UK Department for Business & Trade, *Policy Paper: Strategic steer to the Competition and Markets Authority,* May 2025, https://www.gov.uk/government/publications/strategic-steer-to-the-competition-and-markets-authority/strategic-steer-to-the-competition-and-markets-authority.

regulations should deal with specific and identifiable harms and only be introduced if there is a gap in existing regulations.

To achieve these aims in the Australian context, we welcome the PC's Draft Recommendation 2.2 to bolster the independence of the Office of Impact Analysis (**OIA**) by appointing an independent statutory commissioner to oversee the OIA to raise the standards for impact analyses of regulatory proposals. Setting a high bar for new regulations supports development of regulations that are proportionate and well-designed.

The existing stock of regulations should also be regularly reviewed. Noting the PC's recommendation, a reference point is the UK Regulatory Policy Committee which provides independent scrutiny of government regulatory proposals, including '*ensuring due consideration is given to limiting the unnecessary burden of regulation on businesses and civil society organisations*'.[12] The UK process could serve as a model to provide independent scrutiny of the quality of evidence and analysis to inform new regulatory proposals. The Government should re-examine the recommendations on how to improve the process for impact assessment of new regulations from the PC's report, *Regulatory impact analysis: Benchmarking*,[13] which included mechanisms to bolster the independence, transparency and accountability of the regulatory review process. The Government could also increase the independence and transparency of the Impact Analysis process by requiring that reviews are conducted by Australian Government Consulting, rather than the entrusting the review to external consultants engaged by the same department proposing the new regulation.

We support the PC's view outlined in the interim report that, when assessing new regulatory proposals, to the reviewer must consider the impact on broader economic objectives rather than the individual proposal in isolation. The regulatory impact analysis criteria should be revised to consider a holistic view of the costs of any new regulations, including costs to economic growth, innovation and productivity of introducing additional regulatory burdens. This is essential to ensure the costs do not exceed the benefits. As part of the regulatory impact analysis, the cumulative regulatory burden of any proposed new regulations should explicitly be assessed, for example through targeted stakeholder consultation on this question.

Any new regulatory proposals should be subject to a sufficient consultation period to ensure stakeholders have the time to thoroughly review and respond to proposals. This is important to ensure that policymakers and regulators fully understand the businesses impact, particularly to new businesses and business models, and that any additional costs will ultimately be borne by consumers, to enable proportionate and fit-for-purpose approaches.

Application to the Government's proposed digital competition regime

As outlined in our initial submission, the recently proposed digital-specific 'ex ante' competition regime[14] offers an illustration of how additional regulation, when there is no clear 'gap,' has the very real potential to add cost and complexity, out of proportion to any benefits for consumers or the economy more broadly. At a time when Australia's technology sector is the single best prospect for continuing to grow and lift productivity across the broader economy [15], the indication by the Government[16] that it proposes to introduce a highly complex, burdensome regulation that targets

[12] UK Government Regulatory Policy Committee, *About us*, https://www.gov.uk/government/organisations/regulatory-policy-committee/about.
[13] Productivity Commission, *Regulatory impact analysis: Benchmarking*, December 2012, https://www.pc.gov.au/inquiries/completed/regulatory-impact-analysis-benchmarking/report.
[14] Treasury, *A new digital competition regime: Proposal paper*, December 2024, https://treasury.gov.au/consultation/c2024-547447.
[15] Tech Council of Australia and Datacom, *From Research to Reality: Lifting tech investment in Australia,* November 2024, https://techcouncil.com.au/wp-content/uploads/Tech-Council-of-Australia-Lifting-Tech-Investment-in-Aus-v5.pdf.
[16] Treasury, *Government's response to the ACCC Digital Platform Service's Inquiry*, 8 December 2023, https://treasury.gov.au/publication/p2023-474029.

the very digital businesses investing in Australia is evidence why the PC's recommendations are timely.

Before moving to draft new competition-like regulations targeting digital businesses, the Government needs to establish that Australia's existing competition laws cannot address digital competition concerns.[17] For example, if the Australian Competition and Consumer Commission (**ACCC**) has concerns that digital businesses have substantial market power and are acting anti-competitively, it should investigate and, if justified, take enforcement action under section 46 of the *Competition and Consumer Act 2010* (**CCA**). In 2017, the then-government amended s 46 to make it easier to take action under this section – and since then we have seen private parties use s 46 to target business with market power. This includes the recent and highly successful Epic Games litigation where s 46 was used to obtain remedies against Apple and Google.[18]

We are not aware of litigation the ACCC has initiated against any digital business under this section, despite various regulatory competition law actions overseas. With very little evidence of the ACCC having sought to use existing competition laws against digital businesses, the case for additional competition laws in the form of prescriptive and highly complex, digital-specific ex ante powers is not made out. This also comes at a time when the ACCC: (i) supports the introduction of other new regulations such as the unfair practices prohibition proposed for the Australian Consumer Law (**ACL**); and (ii) has recently achieved major reforms to Australia's merger laws to make it mandatory to notify and seek ACCC approval for transactions, including transactions to acquire land. The proposals for digital-specific ex ante laws and unfair trade practices laws that target specific digital practices is a good example of the proposed introduction of new laws when the existing legal frameworks already work and are more than sufficient to address any concerns. They are also examples of how regulation can disincentivise businesses to invest in, and bring innovations to, Australia.

To support a dynamic and resilient economy, the introduction of new regulations should be technology-neutral and avoid creating disincentives for specific business models. The artificial distinction between 'digital' and 'non-digital' activities underlying separate regulations does not reflect how modern companies operate, how consumers behave or make purchasing decisions, or how we expect the economy to evolve. Introducing regulations for 'digital services' but not imposing equivalent obligations on the same products and services provided through offline channels distorts investment, commercial operations and consumption decisions, and is a further example of how new regulation creates burdens that harm productivity.

Digital services have been adopted and are transforming nearly every major sector of economic activity in Australia and internationally – including services, retail, media and finance. If there is a concern around productivity in Australia, the Government's ex ante proposals would benefit from the implementation of the Productivity Commission's recommendations 2.1 – 2.3 as proposed.

Australia can learn from overseas before implementing new regulations

As a middle-sized, open economy, it is often better for Australia to first observe the effects of regulations introduced elsewhere, and in many cases, take advantage of the benefits that come from a relatively lightly-regulated economy, including encouraging investment, responsiveness to economic developments, and opening opportunities for innovation and dynamism.

[17] Hon Dr Andrew Leigh, *Address to the McKell Institute*, Sydney, 25 June 2025, https://ministers.treasury.gov.au/ministers/andrew-leigh-2025/speeches/address-mckell-institute-sydney.

[18] *Epic Games, Inc v Apple Inc* [2025] FCA 900 and *Epic Games, Inc v Google LLC* [2025] FCA 901. Epic Games commenced proceedings in the Federal Court of Australia against Apple (November 2020) and Google (March 2021). Epic alleged that both companies engaged in anti-competitive and unconscionable conduct in the distribution of mobile apps and in-app payments, in breach of the CCA and the Australian Consumer Law (**ACL**). On 12 August 2025, the Federal Court of Australia found Apple and Google engaged in a misuse of market power in breach of s 46.

The interim report recommends that a new principle be added to the six principles for regulation in the Australian Government Regulatory Policy, Practice and Performance Framework:[19] '*specifying that regulators and policymakers should, as a default, rely on trusted processes from other regulators in Australia and overseas, and only develop bespoke rules where there is a clear need to do so'*.[20] As we outlined in our submission[21] to the PC's National Competition Policy Analysis 2025, Amazon generally supports alignment with overseas regulations where the benefits outweigh the costs for businesses and consumers in Australia. For example, recognition and adoption of trusted overseas standards, including product safety and artificial intelligence (**AI**) standards. Harmonisation with international standards is valuable for Australia, as most goods and technologies used in Australia are tested for compliance with product safety standards in large overseas economies such as North America and Europe. Regulatory reform to recognise international standards reduces compliance costs for overseas businesses looking to provide products and technology to Australian consumers, and for Australian businesses looking to grow through exporting overseas by reducing compliance burdens and costs.

However, Australian regulators and policymakers should ensure that any overseas regulations are consistent with the other principles of regulation outlined in the Government's *Regulatory Policy, Practice and Performance Framework*, including that regulation is targeted, risk-based, evidence-based, outcomes-focused and fit for purpose in a modern, digital economy.[22] There should be careful review and consideration of the evidence from overseas post-implementation reviews of regulations. The Government's proposed digital-specific ex ante competition regulation[23] is again an example where Australia has the opportunity to first observe whether the recently introduced ex ante regulatory regimes in the EU and the UK further harm their productivity

The EU's Digital Markets Act (**DMA**) was intended to benefit consumers and not harm innovation. Although the DMA has only been in effect for 18 months, emerging evidence points to significant costs and harms to consumers.[24] The potential negative impact of ex ante digital regulation has been identified as a concern in the UK, with the new Strategic Steer, discussed above (p 3). In the EU, DMA implementation is ongoing, compliance is at an early stage, and the effects being observed may only be the tip of the iceberg – which suggests the negative real-world impacts for European consumers and European businesses may increase over time.

Ongoing review and refinement of regulations to ensure relevance and effectiveness

To ensure regulations support rather than hinder economic dynamism, accountability and scrutiny of regulations should continue post implementation through ongoing monitoring, review and refinement. This could occur through a program of post-implementation reviews to measure whether regulations are achieving their stated objectives and assess any unintended consequences and wider economic impacts. On the last point, we note that some moves were taken in that direction in the establishment of the Australian Centre for Evaluation within Treasury. Amazon

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[19] Department of Finance, *Regulatory Policy, Practice and Performance Framework*, 2024, https://www.regulatoryreform.gov.au/sites/default/files/Regulatory-Policy-Practice-and-Performance-Framework.pdf.
[20] Productivity Commission, *Creating a more dynamic and resilient economy: Interim report*, 2025, https://www.pc.gov.au/inquiries/current/resilient-economy/interim/resilient-economy-interim.pdf.
[21] Amazon submission, *National Competition Policy analysis 2025*, June 2025, https://www.pc.gov.au/inquiries/current/competition-analysis-2025/submissions.
[22] Department of Finance, *Regulatory Policy, Practice and Performance Framework*, 2024, https://www.regulatoryreform.gov.au/sites/default/files/Regulatory-Policy-Practice-and-Performance-Framework.pdf.
[23] Treasury, *A new digital competition regime: Proposal paper*, December 2024, https://treasury.gov.au/consultation/c2024-547447.
[24] Evans, David S., 'Why Europe Must End Its 30-Year Digital Winter to Ensure Its Long-Run Future', PYMNTS, April 18, 2024, https://www.pymnts.com/opinion/2024/why-europe-must-end-its-30-year-digital-winter-to-ensure-its-longrun-future; Auer, Dirk, 'The Broken Promises of Europe's Digital Regulation', Truth on the Market, March 12, 2024, https://truthonthemarket.com/2024/03/12/the-broken-promises-of-europes-digital-regulation; Broadbent, Meredith, 'Implications of the Digital Markets Act for Transatlantic Cooperation', Center for Strategic and International Studies, September 15, 2021, https://www.csis.org/analysis/implications-digital-markets-act-transatlanticcooperation; Teece, David J., Kahwaty, Henry J., 'Is the Proposed Digital Markets Act the Cure for Europe's Platform Ills? Evidence from the European Commission's Impact Assessment', April 12, 2021, At URL: https://media.thinkbrg.com/wpcontent/uploads/2021/04/11215103/Is-the-DMA-the-Cure_Teece_Kahwaty.pdf, at p. 47.

welcomes the early progress on establishing the Centre but notes there is considerable work to be done before the Centre will achieve its aims.

A critical element of good regulation is ensuring decisions made are covered by effective review mechanisms. The nature, scope and certainty of review rights can directly affect investor confidence. A lack of transparency or unduly limited review grounds undermines business confidence leading to reduced investment. As Amazon outlined in our initial submission[25] and our submission to the Treasury consultation on the proposed digital competition regime[26], judicial review rights alone do not resolve these concerns, as they do not provide businesses with sufficient certainty that errors and mistakes can be corrected and the correct decision made. Merits review would allow a comprehensive review of such decisions, providing businesses with greater confidence when making investment plans. It also allows a 'test and learn' approach to new regulatory regimes, ensuring continuous improvement of the regulatory environment and at the same time minimising long-term negative impacts on growth and innovation.

Reducing cumulative regulatory burdens on Australian business

Businesses in Australia face a complex patchwork of fragmented and overlapping national, state, and local regulations that create duplicative compliance costs and operational inefficiencies. For example, in the retail sector, depending on the location and scale of projects, there may be separate and overlapping planning and environmental systems for businesses to navigate at local, state and federal levels. When these processes are inefficient and slow, it delays investments, adds holding costs, and ultimately makes Australia less productive. There are opportunities to reduce this fragmentation. For example, streamlining the process for planning and environmental approvals would shorten the time taken for completion of commercial investments, such as investment in warehouses and logistics facilities, delivering improvements to retail sector supply chains.

There is also a substantial pipeline of planned and recently introduced regulation with which businesses must comply. For example, for companies who deliver digital services this includes:

1. implementing a suspensory and notification merger regime which will capture most digital transactions;
2. ongoing reforms to the *Privacy Act 1988* (**Privacy Act**);
3. the revised unfair contract terms reforms, which required all business to invest substantial resources re-drafting contracts;
4. the proposed unfair trading practices regime, a very substantial reform that will have a large and uncertain impact on businesses;
5. the scams prevention framework; and
6. the ongoing implementation of the *Online Safety Act 2021*, including the Government's proposed Digital Duty of Care.

Even if all these regulations had been optimally designed, their sheer cumulative impact - and the associated increase in regulatory costs imposed on businesses - has produced an additional layer of burden and operational complexity that only discourages investment and innovation in Australia, including by requiring the investment of money into compliance rather than in productivity enhancing innovation. While there may be merits to individual regulations in isolation, the cumulative impact of overlapping, duplicative and compliance heavy regulations is substantial.

The fragmented approach to the growing number of circular economy and product stewardship initiatives illustrates the cumulative impact of overlapping, duplicative and compliance-heavy regulations for business operating across multiple jurisdictions in Australia. We provide three examples of these to illustrate the complexities. First, state-based container deposit schemes (**CDS**)

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[25] Amazon submission, *Pillar 1: Creating a more dynamic and resilient economy*, June 2025, https://engage.pc.gov.au/projects/dynamic-resilient-economy/page/pillar-1-responses.
[26] Treasury, *A new digital competition regime: Proposal paper*, December 2024, https://treasury.gov.au/consultation/c2024-547447.

across the country are administered as separate schemes with no centralisation or integration, creating a complex web of regulatory requirements that creates inefficiencies for businesses operating across multiple jurisdictions. Each state maintains different reporting platforms, varying levy structures, differing refund point requirements and distinct audit requirements. Second, all state and territory governments have introduced, or plan to introduce, bans on certain single use plastics but definitions of 'single use plastic' are inconsistent across jurisdictions. And third, some states are in the process of, or already have, introduced additional forms of product stewardship legislation, such as the NSW *Product Lifecyle Responsibility Act 2025*, with other states looking to introduce similar legislation. These frameworks are designed to ensure suppliers of certain products participate in mandatory stewardship schemes. While these schemes are important to address risks, such as those posed by battery recycling, there needs to be harmonisation and coordination nationally. In these three examples, businesses operating nationally must maintain separate compliance systems and reporting schedules to manage state-specific requirements. These disparities increase operational costs, create supply chain inefficiencies, and ultimately result in higher prices for consumers. These examples also demonstrate the need for harmonisation and coordination across regulators to support economic dynamism.

As part of the regulatory reform agenda, the OIA should be tasked with a review of the existing stock of regulations to ensure the cumulative impact of regulation on businesses in Australia is not working to stifle innovation. A starting point could be a comprehensive regulatory stocktake to identify regulatory overlaps and to quantify the cumulative effect on businesses. This could then inform the review of existing regulations to determine which regulations could be streamlined and which are no longer required. Reviewing and rationalising the existing stock of regulations that businesses in Australia are subject to necessarily involves coordination between Australian Government and state and territory government regulators.

Observations on select questions from the Pillar 1 Consultation Questions

Information request 2.1 - The taxonomy proposed above represents regulatory failures that have been raised regularly with the PC during consultation. We have heard of a number of broad examples that align with these categories – for example, duplicate and inconsistent regulations emerge when regulators are unable to adopt standards from comparable regulators from other states, or from overseas. We would like to hear specific examples of regulations that you think align with the categories above, and that could easily be fixed by government.

Based on our experience operating across several sectors in Australia including retail and IT, we have identified several specific examples of regulatory failures that align with the proposed taxonomy. The proposed digital-specific 'ex ante' competition regime exemplifies duplicate and inconsistent regulations, rather than utilising Australia's robust and comprehensive laws capable of dealing with competition law breaches in a timely manner. Specifically, in Australia:

- Anti-competitive self-preferencing can be addressed under s 46 of the CCA, and the proposed fair and reasonable test under the Privacy Act;
- Anti-competitive tying can be addressed under CCA ss 45, 46, and 47;
- Impediments to consumer switching can be addressed under CCA ss 45, 46, and 47, ACL ss 18, 23, 29, Australian Privacy Principle (**APP**) 12, and the proposed general prohibition on unfair trading practices;
- Restrictions on interoperability that limit effective competition can be addressed under CCA s 46;
- Unfair treatment of business users can be addressed under CCA s 46, ACL ss 18, 23, 29, proposed general prohibition on unfair trading practices, and the proposed fair and reasonable test under the Privacy Act; and

- Lack of transparency can be addressed under ACL ss 18, 23, 29(1)(b), 29(1)(i), proposed general prohibition on unfair trading practices, APP 1, APP 5, and the proposed targeting restrictions under the Privacy Act.

The duplication between the existing laws noted above, and the ex ante laws proposed creates unnecessary complexity and potential to harm investment, innovation and Australia future productivity.

Given the large number of existing and planned regulations and the priorities arising from the recent Economic Reform Roundtable, the Government should not introduce any broad-brush and highly interventionist regulatory regimes.

Information request 2.4 - How should regulators and policymakers balance risk with growth objectives? What guidance should governments give? What are the constraints which impede regulators and policymakers from better balancing risk and growth objectives? What guidance can governments give to help?

There are several mechanisms that regulators and policymakers should use to balance risk and growth.

First, as discussed above, Australia should adopt the model of the UK Government's Growth Duty and issue a direction to all Australian regulators, including the ACCC, that they should "*prioritise growth and investment interventions*" and that those regulator should focus on "*the application of existing laws before seeking broader, more intrusive, and less evidence driven intervention in the economy*".

Second, regulatory impact analysis should be strengthened to consider not just direct compliance costs but broader economic impacts including effects on innovation, investment and productivity growth. This requires explicit consideration of opportunity costs such as capital diverted from investment to compliance.

Third, the Government should establish robust post-implementation review processes to measure whether regulations are achieving their stated objectives and assess any unintended consequences. This should also include regular evaluation of cumulative regulatory burden on businesses.

Fourth, clear accountability mechanisms should be established through whole-of-government principles that set measurable targets for reducing regulatory burden and promoting economic dynamism. The Government should provide guidance emphasising that regulations should be necessary, proportionate, principles-based, outcomes-focused and coordinated with both domestic and international systems. This should be supported by regular monitoring and reporting on progress.

Finally, comprehensive merits review mechanisms should be required for significant regulatory decisions to provide businesses with certainty that errors can be corrected, supporting investment confidence and economic growth.

Conclusion

We appreciate the PC's focus on regulatory reform as a lever to restore Australia's economic dynamism. If adopted, the proposed regulatory reforms would send a clear signal to international investors that Australia is serious about economic growth, and prioritises predictable and proportionate regulatory action to achieve that objective. As a company committed to long-term investment in Australia, Amazon encourages reforms that create a more innovation-friendly regulatory environment that will meet the needs of a more dynamic and resilient economy.

PILLAR 3: HARNESSING DATA AND DIGITAL TECHNOLOGY

Aritifical Intelligence (AI)

Amazon welcomes the PC's recognition that AI could underpin a significant new wave of productivity growth in Australia. Effective AI diffusion throughout the Australian economy will be a key driver of productivity growth, made possible by policy settings that give businesses and workers the skills and tools to develop practical, industry-specific AI solutions. Countries that are quicker to adopt new technologies grow faster, and AI is no exception. This will require equipping a broad set of workers across many sectors with the skills needed to apply AI in industry-specific settings. Expanding the AI skills base can stimulate AI demand by enabling firms beyond the technology sector to solve their own business challenges using AI. When workers integrate AI know-how with domain expertise and proprietary data, they can create practical applications at the application layers, accelerating adoption and driving productivity growth.

We support the PC's Draft Recommendations 1.1, 1.2 and 1.3. As set out in Amazon's submission to the Department of Industry, Science and Resources' consultation to the Introducing mandatory guardrails for AI in high-risk settings: proposal paper, we recommended that rather than pursuing a prescriptive "horizontal" approach to AI regulation, where all sectors and use cases are treated along similar lines, the Australian Government should instead focus on ensuring that existing technology neutral laws and sector-specific regulations remain fit-for-purpose in an era when AI will increasingly be used. Sector-specific regulation works well as it allows regulators who understand the use case to make informed determinations about the risk of using AI for specific purposes, rather than attempting to introduce catch-all, blanket regulation. Sectoral regulators, whether in financial services, transportation, health or others, are closest to their industries and are familiar with the ways in which they are already using AI and will be using AI in the future. Leaving regulators with strong knowledge of their industries to regulate AI would ensure greater agility and innovation in these sectors. Any future mandatory guardrails should take a risk-based approach that targets harms raised by specific applications of AI systems in high-risk use cases and should focus on precisely defined use cases (rather than high-level principles that lack clarity and certainty) to enable an efficient development process. Well-defined high-risk use cases provide developers and deployers with certainty. This approach can be adapted over time to take into account new high-risk applications of AI, and any identified, emerging harms.

AI will contribute significantly to productivity growth over the next decade, including potentially from local AI model training which would benefit Australian innovation. This would include attracting greater investment in local AI infrastructure, creating jobs for the many trades needed to build out that infrastructure, and enhancing the productivity of the Australian technology sector. It would also result in indirect benefits including strengthening public trust and enhancing the local AI ecosystem through workforce capability, spillover and clustering benefits, and GDP growth from training activity occurring in Australia.

Privacy

As a global technology company operating across multiple jurisdictions, Amazon has substantial experience implementing privacy frameworks and protecting customer data. Through this experience, we have observed that principles-based frameworks can provide the necessary flexibility to implement privacy protections effectively while meeting regulatory requirements. We appreciate the Commission's focus on reducing regulatory burden whilst ensuring strong privacy protections for individuals.

We welcome the PC's overall approach to privacy regulation reform, which appropriately recognises both the significant economic opportunities from maximising the use of personal information and the risks that overly prescriptive regulation could pose to realising these benefits. While Amazon broadly supports less prescriptive compliance regimes that allow organisations to focus resources on mitigating the greatest harms and meeting community expectations, we wish to raise several considerations regarding the proposed alternative compliance pathway for privacy obligations.

The *Privacy Act* has been in place since 1988, and organisations have established extensive compliance frameworks aligned with its current approach. The Act is predominantly principles-based, which we support. Many of its provisions already provide considerable flexibility through outcomes-focused requirements, such as taking “reasonable steps” to ensure data accuracy and security under APPs 10 and 11. The introduction of a dual-track system based on outcomes-focused criteria is likely to create additional complexity and regulatory uncertainty for both businesses and consumers. A shift to a new outcomes-focused model could carry significant transition costs, particularly in re-engineering compliance infrastructure and re-educating stakeholders. Such a change should only be based on compelling evidence that the benefits of such a transition significantly outweigh the costs that would be imposed on businesses.

The proposed approach, which would allow organisations to fulfil their privacy obligations through meeting broad outcomes-based criteria such as "best interests" obligations, could also potentially negatively impact the harmonisation of international privacy standards. This presents particular challenges for companies operating globally and managing international data transfers, including many Australian companies operating and providing services overseas as well as in Australia. There are questions about whether such a variable compliance framework would be deemed to provide equivalent protection to privacy regimes in other jurisdictions, which could affect cross-border data flows and Australia's participation in international data protection frameworks.

Rather than introducing a new alternative pathway, we suggest that the Office of the Australian Information Commissioner (OAIC) could provide additional guidance on implementing existing privacy requirements in a way that both maintains strong privacy protections and reduces unnecessary compliance burden. This could be combined with targeted modifications to specific provisions where genuine compliance difficulties exist. This approach would support organisations in meeting their obligations more efficiently whilst maintaining consistency with international privacy standards.

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PILLAR 4: BUILDING A SKILLED AND ADAPTABLE WORKFORCE

We commend the PC for its focus on strengthening Australia's long-term productivity by enhancing foundational education, improving pathways to skills development, and modernising occupational entry requirements.

As highlighted in our earlier submission, Amazon believes that targeted, proportionate reforms that reduce unnecessary barriers while supporting innovation will help create a more dynamic, competitive, and resilient economy. Our operations in Australia span advanced logistics, cloud computing, and retail services, all of which depend on a skilled and adaptable workforce. The PC's interim recommendations address many of the challenges and opportunities we see in practice, from ensuring teachers and students have the best resources, to modernising how skills and qualifications are recognised across study and work.

The Best Resources to Improve School Student Outcomes

The Commission's proposal for a single national platform of lesson planning materials is well-intentioned, but it is important to note that Australia already maintains a comprehensive platform via the Australian Curriculum and complementary resources delivered by Education Services Australia (**ESA**). A similar initiative proposed under the Gonski reforms with significant funding did not achieve its intended impact. We recommend investment should be directed toward tools that reduce teacher workload and improve student outcomes. For example, automated reporting tools could connect schools to state, territory and federal systems, streamline reporting against jurisdictional excellence frameworks, and roll up insights to a federal level feeding into the MySchools platform. This would better support teachers by reducing administrative burden, improving accountability, and fostering evidence-based decision-making across systems.

We also support the Commission's emphasis on equitable access to education technology and artificial intelligence. Ensuring all students, regardless of geography or socioeconomic background, have access to high-quality digital tools is essential for lifting outcomes. A national quality assurance framework for educational technology would help vet tools against evidence-based learning outcomes and provide clear procurement pathways for schools. Building on models such as the NSW Online Learning Tools Panel, a curated marketplace of approved solutions could ensure both quality and equitable access, while empowering teachers and parents with trusted options.

Building Skills and Qualifications for a More Productive Workforce

We strongly support the PC's recommendation to move toward a national system of credit transfer and recognition of prior learning. Such a system would reduce duplication and allow workers to leverage skills gained through both study and employment. We suggest this framework be expanded to include Recognition of Current Competency, tethered to industry-agreed skill standards such as the Skills Framework for the Information Age. This would enable competencies gained through work, such as cloud engineering or automation support, to be formally recognised against national frameworks. Transparent, portable skills passport, underpinned by a national education and skills data framework, would help workers identify gaps for reskilling, support agile redeployment into adjacent careers, and underpin Australia's transition to a digital and net zero economy.

In summary, we encourage reforms that:

- Reduce duplication in education platforms while enhancing data-driven reporting; and
- Build a robust national system for recognising skills across study and work.

These reforms will create a more dynamic, equitable, and resilient workforce, one that is better equipped to harness digital transformation, meet future challenges, and drive Australia's productivity agenda forward.