

Submission to the Productivity Commission – National Competition Policy Review 2025

From: Vinyl Council of Australia

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Executive Summary

The Vinyl Council of Australia (VCA) welcomes the opportunity to provide input to the Productivity Commission's review of the National Competition Policy (NCP) 2025, as requested by the Hon Jim Chalmers MP, Treasurer, on 27 March 2025. Our submission focuses on the proposed reform to adopt international and overseas standards in regulatory frameworks and harmonise regulated standards across Australia, as outlined in the Treasurer's letter.

As a key stakeholder in the development of Australian Standards for a broad range of PVC building and construction products — including pipes, wire and cable, resilient flooring, various profiles and windows — the VCA expresses concern about the potential implications of standards reforms on the Built Environment and on domestic manufacturing. These products often require technically demanding specifications to meet Australia's safety, climate, and durability requirements. We support reforms that reduce regulatory burden but caution that this must not come at the expense of product integrity, public safety, or sovereign decision-making.

We align with Standards Australia's submission and call for a balanced approach that maintains trust in Australia's regulatory systems, supports expert-led standards evaluation, and enables timely, harmonised domestic reform.

VCA's Role in Standards Development

The VCA, through our member organisations, contributes actively to the development and revision of Australian Standards. We participate directly in Standards Australia Technical Committees, helping to ensure standards remain robust, reflect current technology, and suit Australian conditions.

PVC products are integral to the Built Environment. From potable water delivery and electrical safety to interior surfaces and glazing systems, PVC applications must meet stringent safety, sustainability, and performance thresholds. Australian Standards provide the foundation for public confidence in these systems and support competitiveness for local manufacturers.

The Case for Cautious Adoption of International Standards

VCA supports the goals of reducing red tape and enhancing economic efficiency but urges the Productivity Commission to carefully evaluate the implications of adopting international standards without local expert validation.

1. Local Evaluation is Essential

Many international standards are sound and transferable to Australia. However, they are developed in different legal, environmental, and regulatory contexts. Australia's unique geography, climate, and policy landscape necessitate an expert-led evaluation prior to adoption.

Local expert review via a **Standards Australia Technical Committee** ensures that:

- Standards align with domestic legislation and policy,

- Safety and performance are not compromised (e.g., fire rating, chemical resistance, slip resistance, durability),
- Local stakeholders (industry, consumers, government) have input.

Automatic or fast-tracked adoption without such review undermines these safeguards.

2. Sovereignty and Public Safety Must Be Preserved

Automatic adoption of overseas standards risks bypassing Australia's sovereign ability to set standards aligned with national priorities. In the construction sector — where standards determine everything from structural integrity to toxicology thresholds — this could diminish long-term building safety and consumer protection.

PVC products must perform under extreme conditions — from bushfire-prone zones to high-UV exposure — and are often regulated for health and environmental reasons. A two-track standards system, where some standards are fast-tracked with reduced scrutiny, would erode consumer trust and regulatory coherence.

Australia's Role in Global Standards Setting

Rather than default to adoption, Australia should **amplify its voice in shaping international standards**.

- Increased participation in ISO, IEC, and other global bodies ensures Australian interests are represented at the source.
- Without this engagement, international standards may evolve in ways that conflict with Australian needs.
- Enhancing Australia's presence in global standards forums would help shape future-ready regulations for clean energy, digital infrastructure, and resilient buildings.

Recommendations for Reform

To ensure reforms deliver real efficiency without compromising quality or sovereignty, VCA makes the following recommendations:

1. Prioritise Domestic Harmonisation First

The greatest inefficiencies stem not from Australia's engagement with international standards but from inconsistent domestic regulation.

- VCA urges prioritisation of **national alignment of standards called up in regulation** across all jurisdictions.
- This step would reduce compliance costs, support workforce mobility, and improve national productivity without sacrificing standards integrity.

2. Define and Govern 'Trusted Standards'

- A **"trusted standard"** must be defined through review by a relevant Standards Australia Technical Committee. This ensures each standard meets Australian expectations of performance, safety, and transparency.

- The **CodeMark scheme** provides an existing, proven mechanism to support international standard adoption within the Australian regulatory ecosystem, while preserving technical oversight.
- All standards — whether local or international — should undergo **equivalent governance**, including public consultation and clear accountability for conflicts of interest on review committees.

3. Enhance Access to Standards

- **Equitable access** to Australian and adopted international standards must be assured. High costs and restricted availability of standards impede innovation and disproportionately affect SMEs.
- The Commission should explore funding models to subsidise access or establish open-access options, particularly for standards adopted into regulation.

4. Maintain Rapid Local Standardisation Capability

- Australia must retain a **responsive, well-resourced domestic standardisation process** to support innovation, industry needs, and emerging regulatory requirements.
- Reforms should not degrade Standards Australia's ability to respond in a timely manner to local issues, especially in climate adaptation, housing, and infrastructure.

Sectoral Impacts and Modelling Considerations

As requested by the Treasurer, VCA supports detailed modelling of reform impacts, particularly for sectors reliant on technically demanding, safety-critical standards such as the PVC product industry.

We recommend assessment of:

Economic Impacts

- Impacts on domestic **output, employment, and productivity**, particularly for regional manufacturing and sectors with high export potential.
- Effects on **compliance costs and time-to-market** for new products where international standards are adopted without clear transition mechanisms.

Consumer Impacts

- Changes in **product affordability, durability, and performance**, particularly in housing.
- Distributional effects on **low-income and remote households**, First Nations communities, and renters who may face higher lifecycle costs from lower-quality imported products if standards are weakened.

Built Environment Integrity

- The economic and social value of retaining tailored standards that extend **building lifespan, reduce maintenance**, and mitigate environmental risks.
- Cost-benefit analysis of adopting standards not optimised for Australian climates or construction methods.

Conclusion

The Vinyl Council of Australia supports the overarching goals of the National Competition Policy, particularly the removal of unnecessary regulatory burdens and improved economic efficiency. However, we caution against the uncritical adoption of overseas standards in the absence of rigorous local evaluation.

Reforms should prioritise harmonising existing domestic standards, preserve expert-driven decision-making, and uphold consumer and industry confidence in the Australian regulatory framework. Australia's sovereign standard-setting capability must not be undermined in pursuit of short-term efficiency.

We welcome continued engagement with the Productivity Commission and encourage inclusion of PVC building product standards as a case study in the final report. We also request that the specific needs of industries such as resilient flooring be considered in the assessment of the economic, social, and consumer impacts of proposed reforms.

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