

**Submission to**  
**the Productivity Commission**  
**on**  
**the National Competition Policy analysis 2025**

Via Email

NATA thanks the Commission for the opportunity to comment on the National Competition Policy analysis 2025.

This submission is confined to commentary on conformity assessment and accreditation issues associated with international standards.

**NATA's role and context**

The following comments relate to NATA's role in Australia's standards and conformance infrastructure<sup>1</sup> and recognition by the Commonwealth as the national authority for laboratory accreditation<sup>2</sup>. In this role, NATA has no direct participation in product supply chains but rather in facilitation of a reliable testing infrastructure providing assurance that products claimed to comply with standards actually do so.

NATA's stakeholders include:

- all Australian Governments in regard to policy and regulation requiring conformity assessment;
- direct users of NATA accredited facilities such as manufacturers, exporters and importers; and
- the Australian public as consumers of products undergoing conformity assessment by NATA accredited facilities.

NATA itself uses international standards as core assessment criteria for the majority of its accreditation programs. Additionally, many accredited facilities perform conformity assessment activities in accordance with international standards that describe test methods for products and materials.

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<sup>1</sup> The standards and conformance infrastructure consists of Standards Australia, the National Measurement Institute, the Joint Accreditation System of Australia and New Zealand (JASANZ) and NATA.

<sup>2</sup> As described in the current version of the Memorandum of Understanding between the Commonwealth of Australia (with DISR as the lead agency) and NATA dated February 2024.

## Commentary

Before addressing the specific questions of the consultation, it is important that there is consideration of the context and the players involved with the various processes of standardisation, conformity assessment and policy/regulatory development. These include - but are not limited to the following.

- Regulatory relationship with/influence over the standards development processes.
- Expertise of policy and regulatory bodies
- By harmonisation, is the expectation that standards will be identical in requirements or that they be determined as 'equivalent' through some defined process?
- Practical challenges in determining the comparability of standards and the equivalence of delivered outcomes.
- CAB responsiveness and capacity – domestic and international
- Mechanisms for mutual recognition of conformity assessment

- *Are there examples of Commonwealth, state, territory or local government regulation where there should be greater harmonisation with international or overseas standards and related conformity assessments or approvals? What sectors should be prioritised for reform?*

It is not appropriate for NATA to make comment on specific needs for greater harmonisation but, as a general principle, standards for goods and services that are the subject of international trade - import or export - are where the focus of any harmonisation efforts should lie.

Standards relating to purely domestic activities such as those for road construction materials must be fit-for-purpose with regard to Australian needs and conditions. That such standards might diverge from other national or international standards does not present any significant economic harm.

- *What is the impact of a lack of harmonisation (e.g. on compliance costs for export, import or multinational businesses, product range, prices, quality, competition, innovation and international trade and investment)?*

NATA is a signatory to international arrangements that facilitate mutual recognition of conformity assessment activities as a means of minimising the non-acceptance of conformity assessment reports as a TBT by ensuring that conformity assessment bodies (CABs) of an exporting party have the competence and capability to assess products and materials as meeting the technical requirements of the importing party.

Where the regulatory or industry requirements of the importing and exporting parties are centred upon compliance with common requirements - such as conformance with international standards - there are clear benefits for:

- Accreditation Bodies - NATA does not have to identify and recruit peer assessors knowledgeable in foreign technical standards, some of which may not be published in English and/or being written in a manner that requires a knowledge of local context.
- CABs - For those undertaking conformity assessment for both domestic and export clients, there may be economies with regard to testing equipment, testing and inspection methodologies, staff training and expertise and reporting practices.
- Domestic and foreign governments and industry groups - Improved confidence in conformity assessment activities performed in another jurisdiction.

- *What are the barriers to greater harmonisation?*

Harmonisation of standards may be seen as a loss of national sovereignty - there is also the practical reality that Australian regulators and policy officials may not be in a position to influence development and amendments made to international standards, which may work against local producers and/or fail to meet societal expectations for safety and/or utility. Once an international standard is adopted, it is difficult to revert to development and application of a local standard.

- *Are there any reforms that should be made to Australia's standards and conformance infrastructure to support greater harmonisation while still addressing specific Australian risks and objectives?*

Apart from standards development, the other elements of Australia's standards and conformance infrastructure - metrological standards as maintained by the NMI and the accreditation of CABS undertaken by NATA and JASANZ - are structurally built on international standards and global agreements for mutual recognition. As such, further reform in this regard is not currently necessary since, whatever reforms in standards development may be targeted, the measurement and conformance elements are already well-adapted. National standards and conformance arrangements similar to Australia's have formal legislative underpinning in many overseas economies.

NATA is happy to provide additional information should this be of assistance to the Commission.

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