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National Competition Policy Analysis 2025 – Productivity Commission

About PPI Group

The Plumbing Product Industry Group (PPI Group) represents manufacturers and importers of plumbing products, valves, meters, fittings, and materials used in plumbing systems across Australia and New Zealand. Our members range from Australian-owned SMEs to globally integrated manufacturers, all of whom are committed to product safety, compliance, and responsible innovation in the built environment.

Overview

PPI Group welcomes the opportunity to comment on the Productivity Commission's National Competition Policy (NCP) Analysis 2025. We recognise the government's objective to reduce compliance burdens and improve regulatory efficiency, especially in the context of easing broader cost-of-living pressures. These goals are timely and necessary.

We agree that there is value in examining whether current regulatory systems can be modernised to reduce duplication and streamline supply chains. However, we believe this must be done in a way that protects Australia's sovereign ability to define, assess, and uphold standards that reflect our unique climate, infrastructure, and public health conditions.

Use of International Standards in Regulation

We understand that one area under review is the use of international or overseas standards in regulated markets. While international standards can offer value and efficiency, particularly when developed with robust governance, it is critical that Australia retains control over how these standards are adopted and applied.

The current framework – with Australian Standards often based on international models and reviewed through Standards Australia's consensus-based processes – already allows for alignment where appropriate. For example, AS/NZS 4020:2018, a key water testing standard, incorporates aspects of BS 6920, tailored to meet local health and performance expectations under the WaterMark scheme.



In this context, we caution against the assumption that international standards are always suitable for domestic regulation without adaptation or validation. Australia's product approval systems – including WaterMark and WELS – are designed to manage risk in local use environments. Automatic or fast-tracked adoption of overseas standards, without Australian expert oversight, could compromise public safety, increase liability for manufacturers, and reduce trust in compliance systems.

Support for Reform, With Conditions

PPI Group supports reforms that genuinely reduce duplication and improve national harmonisation. We believe the most significant inefficiencies currently lie in domestic regulatory fragmentation, inconsistent implementation between jurisdictions, misaligned agency processes, and resource constraints that delay product approvals.

In particular:

- Fragmentation across State and Territory lines often delays the adoption of approved products nationwide.
 - The ABCB, though critical to the system, has limited resources to progress WaterMark-related approvals at the pace needed to support innovation and market readiness.
- The recent budget cuts to the Australian Building Codes Board (ABCB) have not helped this situation.

These internal barriers should be addressed before looking externally to adopt new standards regimes. Strengthening the existing standards development and approval process, rather than bypassing it, would better support national consistency and protect Australia's technical leadership.

Protecting Sovereign Standards Governance

Australia's standards system is internationally respected for its integrity, transparency, and consensus-driven engagement. The Productivity Commission's recommendations must support, not erode this foundation.

We share the concern expressed by Standards Australia that if overseas-developed standards are permitted into regulation without equivalent public scrutiny or governance, it creates a two-tiered system that favours speed over quality and risks marginalizing local expertise, which in turn could lead to adopting new issues as witnessed in other markets, that may have been prevented due to our current rigorous method of regulatory development.

Australia should remain a contributor to global standards development but retain the discretion to adapt or reject standards that are not appropriate for our market. Maintaining sovereign oversight is not protectionism, it is prudent risk management and national interest policy.

Recommendations

1. Prioritise Domestic Harmonisation

Address internal regulatory fragmentation and streamline WaterMark and WELS processes across all jurisdictions.

2. Retain Expert Oversight

Ensure all standards, local or international used in regulation are subject to the same Australian-led assessment processes and stakeholder input.



3. Enhance Regulatory Capacity

Strengthen the resourcing and expertise within government bodies responsible for product certification and compliance approvals.

4. Support Cost Reduction Without Compromise

Explore efficiencies that reduce time and cost for manufacturers, but not at the expense of safety, quality, or public trust.

Conclusion

The Plumbing Product Industry Group supports the government's objective to reduce costs and streamline regulatory processes. However, we urge caution in any reform that would diminish Australia's sovereign role in developing and applying standards. The right path forward is one that improves national consistency, supports innovation, and preserves the rigorous, expert-led approach that has protected our industry and community for decades. We thank the Productivity Commission for the opportunity to contribute to this important review.

Kind Regards,

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1.Note:

The Australian policy, legal and administrative framework that supports Watermark conducting its role is clear and robust. There are three legal settings to guide the ABCB's administration of WaterMark and its deployment into the marketplace:

- WaterMark has legitimacy by virtue of its endorsement in a best endeavours agreement between the Commonwealth, State and Territory Governments. WaterMark is referenced in the NCC in the same way that Australian and joint Australian and New Zealand Standards and other instruments are used to deliver policy;*
- national competition policy through the intersection of the Commonwealth Trade Marks Act 1995 and the Competition and Consumer Act 2010; and*
- adoption of the Plumbing Code of Australia by the State and Territory administrations. The result is that ABCB has a clear mandate on what WaterMark certified products enter the market, by whom and under conditions those products enter the market under the WaterMark Certification Scheme Manual and the ACCC endorsed Scheme Rules.*

