



Southern Australian Section Inc

Submission to the Productivity Commission

Regarding: National Competition Policy Analysis 2025

From: The Textile Institute Australia

Date: 6th June 2025

Subject: The Critical Role of Sovereign Standards Development for the Australian Textile Industry

The Textile Institute Australia, representing members across the entire textile, clothing, and footwear value chain, welcomes the opportunity to provide input to the Productivity Commission's 2025 review of the National Competition Policy.

We write to express our strong support for the principles and reform recommendations outlined by Standards Australia. While we support the goal of enhancing economic efficiency, we caution against policy changes that would lead to the automatic adoption of overseas standards without rigorous local validation. Such a move would pose significant risks to industry innovation, consumer safety, and Australia's sovereign capabilities.

1. The Value of Australian Expertise in Textile Standards

The Australian textile industry operates within a unique set of environmental, market, and regulatory conditions. Standards related to UV protection in fabrics, flammability of apparel and furnishings, and the chemical composition of dyes are not abstract concepts; they are critical for ensuring the safety and quality of products used by all Australians.

Standards Australia's consensus-based model, which relies on thousands of technical experts from organisations like ours, is essential for developing standards that are fit-for-purpose. For example, Australian standards for UV-rated clothing are world-leading, precisely because they were developed to address Australia's specific high-UV environment. Adopting an international standard wholesale would devalue this vital local expertise and could lead to inferior products entering the market.

2. Sovereign Decision-Making and Fitness-for-Purpose

Overseas standards are developed to meet the policy objectives of other nations. They may not align with Australian environmental laws, consumer protection frameworks, or workplace health and safety requirements. Ceding our ability to assess, amend, or develop standards would mean accepting a "one-size-fits-all" approach that is not suitable for our nation. This is particularly true in areas like sustainable textiles and circular economy practices, where Australia has the opportunity to develop standards that foster local innovation and give our industry a competitive edge.

3. Ensuring a Level Playing Field for Australian Businesses

Australian textile manufacturers who invest in complying with high-quality, locally-vetted standards should not be forced to compete with imports that adhere to less stringent or inappropriate overseas standards. Allowing automatic adoption creates a two-tiered system

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that disadvantages responsible local businesses. It would favour speed of market entry over the quality, safety, and durability that consumers expect. This would undermine trust in both the regulatory system and the products themselves.

4. The Future of Global Influence and National Interest

The global standards landscape is a key arena for geopolitical and economic influence, especially in emerging fields like smart textiles, advanced composites, and biomaterials. A robust domestic standards system ensures Australia has a seat at the table, allowing us to shape international standards to reflect our national interests and the strengths of our innovative industries. Weakening our domestic process would weaken our global voice and our ability to compete internationally.

Recommended Path for Reform

The Textile Institute Australia fully endorses the reform pathway proposed by Standards Australia:

1. **Prioritise Domestic Harmonisation:** The most significant inefficiencies lie in the inconsistent application of standards between Australian states and territories. This should be the primary focus of reform.
2. **Maintain Expert Oversight:** Continue the existing, successful process of adopting international standards only after they have been validated as appropriate for Australian conditions by local experts and stakeholders.
3. **Apply Consistent Rules:** Ensure that any standard, regardless of its origin, is subject to the same high levels of transparency, public consultation, and consensus-based scrutiny that Standards Australia's process guarantees.

Conclusion

The current system, underpinned by the expertise and consensus-driven approach of Standards Australia, serves the national interest well. It protects consumers, supports local industry, and ensures Australia's voice is heard on the global stage. We urge the Productivity Commission to support reforms that strengthen this system, rather than undermine it.

The Textile Institute Australia would be pleased to provide further information or participate in additional consultations.

Respectfully submitted,

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