



Amazon Australia Submission to Productivity Commission Consultation

National Competition Policy analysis 2025

13 June 2025

Amazon Australia¹ welcomes the opportunity to respond to the Productivity Commission's call for submissions to the *National Competition Policy analysis 2025 (Consultation Paper)*, focused on occupational licensing, international standards, and other competition reform options.

Amazon Australia supports recognition and adoption of trusted overseas standards, including product safety and artificial intelligence (AI) standards, as suitable standards to which products being sold in Australia may comply. Amazon Australia is also supportive of regulatory changes that would harmonise occupational licensing requirements across states and territories in Australia. We believe the proposed changes will reduce unnecessary compliance burdens, support productivity growth, and promote competition, for the benefit of Australian business and consumers.

Our response provides an overview of Amazon and our operations in Australia, an outline of the benefits to Australia of regulatory reform, the impact of the current regulatory system on business, as well as some case studies from Amazon Australia. This response builds on Amazon's submission to the [Treasury consultation](#) on 'Improvements to mandatory standards regulation under the Australian Consumer Law' and [submission](#) to the 'Product safety regulation - exposure draft legislation' Treasury [consultation](#). Amazon encourages the Australian Parliament to pass the *Treasury Laws Amendment Bill 2024: Product Safety Regulation* which will make it easier to recognise overseas standards in Australian law and ensure Australian standards stay up-to-date with changes overseas.

About Amazon Australia

Amazon.com.au launched in Australia in December 2017 and now offers customers more than 200 million products across 31 categories, from consumer electronics to fashion to our trusted AI voice assistant Alexa and Amazon devices such as Kindle. In June 2018, we launched Amazon Prime, our flagship membership program, which today includes free same-day delivery for eligible orders in Sydney and Perth, and one-day delivery to additional areas, plus entertainment benefits including Amazon Prime Video.

Since 2011, Amazon has invested more than AU\$20 billion across our businesses in Australia, including more than AU\$4 billion in 2023 alone. We have 19 operational sites around the country and a local team of more than 7,000 people across amazon.com.au, Amazon Web Services, Kindle, Audible, Alexa and Prime Video. We currently operate seven fulfilment centres and 12 delivery stations across Australia, including an advanced robotics facility in Western Sydney, and another planned in Melbourne.

¹ Amazon Commercial Services Pty Ltd (**Amazon AU Retail**) and Amazon Web Services Australia Pty Ltd (**AWS**) (together, **Amazon Australia**).

Note: all links to online sources are accessed as at 28 February 2025.



There are more than 14,000 Australian businesses selling their products on Amazon.com.au and our stores across the globe, with over 3,000 businesses based in regional Australia. Globally, almost 60 per cent of Amazon's unit sales come from third-party selection through an Amazon marketplace. Australian businesses can ship products they sell to customers directly or use the Fulfilment by Amazon (**FBA**) service to ship their products to customers across Australia. FBA saves valuable time and money for businesses as they do not need to individually purchase shipping materials, pack orders, store products, and make multiple trips to the post office.

The benefits of better regulation

Australia is an advanced, open economy that is an attractive location for business investment due to its political stability, highly skilled workforce and relatively predictable and proportionate regulatory environment. However, Australia is also facing a number of economic challenges, including cost-of-living concerns, slowing productivity and skills shortages. Australia must effectively engage with the rest of the world to maintain our openness, which is a key economic strength. Australia benefits when we can access innovation, goods, services and technology created overseas. Openness to trade and investment, combined with a proportionate regulatory environment, benefits Australians by improving living standards through increased access to overseas products and technology, choice and competition for products and services.

Successive reforms by the Commonwealth, state and territory governments following the landmark 1993 National Competition Policy Review (Hilmer Review) transformed the Australian economy by reframing regulation and prioritising competition that lifted productivity, and improved Australian living standards. While Australia's National Competition Principles are over 30 years old, they remain relevant to the modern economy. A continuing commitment to regulatory and legislation review is key to unlocking productivity growth. Increasingly, the success of local businesses is based on their ability to adapt to changing market conditions and expand operations into new areas, including internationally.

Most goods and technologies used in Australia are tested for compliance with product safety standards in large overseas economies such as North America and the European Union. 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. Regulatory reform to harmonise occupational licenses benefits Australian businesses and Australian workers who can more easily switch to seek better employment opportunities.

Alignment with international product standards

Amazon Australia is generally supportive of reforms that would promote consistency with international product safety standards under Australian mandatory standards regulations. Standards must be fit-for-purpose and not create unnecessary barriers for the import or supply of the latest products and services – particularly where they have already been demonstrated as safe by trusted international jurisdictions. We believe this will benefit both consumers and industry.



Currently, there are barriers to compliance for global businesses and manufacturers. Globally, consumer goods are often first tested against the safety standards of major economies (e.g., European Union or North America). Businesses choosing to import goods to Australia may then need to retest or relabel products for sale in Australia, even where they already comply with a comparable safety standard with minor differences from the Australian mandatory standard. This leads to additional compliance costs for manufacturers and importers which ultimately impacts consumers.

As outlined in Amazon's submission to the [Treasury consultation 'Supporting through improvements to mandatory standards regulation under the Australian Consumer Law'](#), based on our interactions with selling partners² on local regulatory and accreditation requirements, compliance requirements are a key consideration in deciding whether to sell outside of North America (the United States and Canada), as many businesses focus on sales in those countries.

A key blocker for selling into Australia is the need to complete additional testing specifically for Australia, even where products have been confirmed to meet similar (and sometimes identical) safety standards in other countries. From a survey Amazon conducted with a selection of selling partners in 2021, only 33% of responders are selling in multiple marketplaces, where the majority of them are limiting themselves to the United States and Canada only. Moreover, 67% of responders are deterred from selling outside the United States and Canada due to uncertainty over how to meet foreign regulations.³

While these comments are not unique to Australian regulations and systems, our own engagement with sellers indicates that many of these concerns are valid here. The results are also similar: the barriers to overseas businesses selling their products deprives Australian consumers of broader selection and competition. Therefore a key area for alignment on international standards is on mandatory standards which do not yet consider international standards as equivalent.

Similarly, businesses sometimes have challenges complying with local labelling requirements mandated in the Australian Mandatory Standards (for example, where labelling conforms to another standard). An Amazon review of a 16-week period during 2021 showed that compliance submissions for 1,294 toy listings on the Amazon store were rejected due to incomplete testing documentation being submitted. Of these rejections, 463 (36%) were due to selling partners submitting documents from non-Australian jurisdictions which failed to satisfy Australian mandatory standard requirements.⁴ Improvements to the system, such as allowing labelling standards that are consistent with the trusted standards, would reduce labelling burden for manufacturers.⁵

This results in a number of negative outcomes for Australian consumers. Where Australian-specific standards apply, Australian customers experience reduced access to innovation and product selection and higher prices due to local compliance and testing costs. If trusted overseas standards were accepted in place of Australian standards, overseas businesses

² "Selling Partners" encompass both retail vendors and third-party sellers who offer products on the Amazon.com.au site

³ We note this example was outlined in Amazon's submission to the Treasury consultation on improvements to mandatory standards regulation under the Australian Consumer Law: <https://treasury.gov.au/consultation/c2021-223344>

⁴ This example was outlined in Amazon's submission to the Treasury consultation on improvements to mandatory standards regulation under the Australian Consumer Law: <https://treasury.gov.au/consultation/c2021-223344>

⁵ We note that these results are consistent with Treasury's observations in the Regulatory Impact Statement published in support of the proposed reforms to the ACL: <https://treasury.gov.au/sites/default/files/2024-10/p2024-582678.pdf>



would experience reduced barriers to selling products in Australia. This would result in increasing the speed at which safe and innovative products are available to Australian consumers.

Aligning standards would not only benefit Australian consumers through increased access to imports, it would also benefit Australian businesses in several ways. Given the fixed and upfront costs for meeting Australian standards, the average costs to produce an Australian-specific, standards-compliant product are relatively high. For Australian businesses looking to build a domestic business and achieve growth through exports, applying international standards would reduce the average compliance costs over a business' total production. Importantly, this would be achieved by reducing the incremental costs of establishing an export business, as well as the time to make products ready to compete in international jurisdictions. This is particularly important given the relative size of the Australian economy by global standards means the potential to export overseas is essential for continued growth for Australian businesses. These positive outcomes would be complemented by improvements in situations where a recall may be required: a business that finds itself in that situation would be able to implement corrective measures against a single standard, which would likely reduce costs and delay.

With regard to the mechanisms to apply international standards, while preserving an ability to address Australia-specific risks and objectives, Amazon supports the approach taken in the draft Treasury Laws Amendment Bill 2024: Product Safety Regulation,⁶ allowing easier recognition of international standards in safety standards and information standards. We urge the Australian Government, along with the Australian Competition and Consumer Commission to move quickly in identifying and adopting relevant international standards to unlock the benefits of harmonisation while maintaining safety for Australian consumers.

Alignment with international AI standards

AI and machine learning are some of the most transformational technologies of our time and it is still early days in their development, application, and regulation. The advent of large language models (LLMs) is unlocking new opportunities for generative AI to improve customer experiences, boost employee productivity, and drive economic growth, and AI in general has the potential to tackle some of humanity's most pressing issues. For Australia to harness all the opportunities and productivity benefits AI may offer, its approach to AI standards will be a critical part of facilitating uptake throughout the economy.

Global standards can reduce regulatory fragmentation and facilitate interoperability as companies seek to build and deploy solutions in line with best practices. In relation to AI adoption in Australia, the Treasury Secretary Dr Steven Kennedy recently commented that "wherever possible, we leverage existing technology-neutral laws and regulations" as "this provides certainty which will support innovation and more rapid adoption".⁷ Technical standards are inherently more agile than regulations, and can more readily be adapted to address the fast pace of technological innovation. Amazon is actively engaged with organisations and standards bodies focused on the responsible development of next-

⁶ Available at: <https://treasury.gov.au/consultation/c2024-589944>

⁷ Dr Steven Kennedy, Post-Budget economic briefing, 28 May 2025: <https://treasury.gov.au/speech/address-australian-business-economists-2025>



generation AI systems including the International Organization for Standardization (**ISO**) and the National Institute of Standards and Technology (**NIST**).

As governments around the world are addressing the same policy challenges, it is vital that Australian AI standards are interoperable to the greatest extent possible. International standards, such as those set forth by NIST or ISO, play an important role so that the many players across the AI supply chain don't end up with a patchwork of local, conflicting regulations. Such an outcome would create regulatory uncertainty and unnecessary compliance costs, undermining the potential benefits of innovation.

While global standards on AI remain nascent, the ISO reached an important milestone in December 2023 with the publication of ISO 42001, a management system standard that provides guidelines for managing AI systems within organisations. ISO 42001 emphasises a commitment to responsible AI practices, encouraging organisations to adopt controls specific to their AI systems, fostering global interoperability, and setting a foundation for the development and deployment of responsible AI. We believe that ISO 42001 certification will be one of the ways for organisations to demonstrate excellence in responsibly developing and deploying AI systems and applications, providing an effective framework for developers and deployers to manage risk as appropriate for their business operations. We commend the Australian Government's alignment of the 10 voluntary AI guardrails under its Voluntary AI Safety Standard with ISO 42001.

Conclusion

Amazon thanks the Productivity Commission for the opportunity to provide comments. We look forward to working with the Commission to deliver better regulation, through harmonisation of occupational licensing requirements and alignment with international standards, to deliver improved productivity outcomes for Australia.