



Australian Government
Department of Finance



Australian Government
The Treasury



**Competition
Review**

National Competition Policy

Lowering barriers to the adoption of international and overseas standards in regulation

Consultation paper

July 2025

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Consultation Process

Request for feedback and comments

The Treasury and the Department of Finance are consulting on reforms to lower barriers to the adoption of international and overseas standards in regulation. Your feedback will support the development of two overarching documents (the Competition Reform Guidelines and Best Practice Handbook) and inform the identification of priority sectors to improve regulatory harmonisation and reduce business compliance costs.

Treasury (responsible for National Competition Policy) and the Department of Finance (responsible for whole of government regulatory policy) jointly led this work in consultation with Commonwealth agencies. The Department of Industry, Science and Resources (DISR) (responsible for standards and conformance policy) played a key role in shaping this policy.

Questions are included throughout the paper to guide comments. Interested parties may wish to respond to some or all of the questions, or comment on issues more broadly.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

Publication of submissions and confidentiality

All information (including name and address details) contained in formal submissions will be made available to the public on the Treasury website, unless you indicate that you would like all or part of your submission to remain confidential.

Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain confidential should provide separate confidential and non-confidential submissions and clearly mark the confidential submission. Legal requirements, such as those imposed by the Freedom of Information Act 1982, may affect the confidentiality of your submission.

Treasury also welcomes the opportunity to discuss your views in a meeting.

Closing date for submissions: 4 August 2025

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Introduction

On 29 November 2024, Commonwealth, state and territory treasurers signed two agreements to revitalise National Competition Policy (NCP).¹ These NCP agreements seek to improve living standards and create opportunities for Australians by supporting the implementation of pro-competitive reforms.² **Treasurers have agreed to support work to “lower barriers to the adoption of overseas standards in regulation” as an initial priority in the 10-year National Reform Agenda.**³

Standards are documents that set out specifications, procedures and guidelines for products, processes and services to ensure they meet specific policy objectives such as safety, consistency, reliability and/or interoperability. **Standards can be voluntary (i.e. compliance is optional) or made mandatory through reference in Commonwealth or state and territory legislation (i.e. industry must comply).**

Relevant standards exist for all industries, including mining, building and construction, agriculture and forestry, data and digital, transportation, and healthcare. Standards serve many purposes, including to help ensure safety and reliability for consumers, safeguard the quality of goods and services, promote market access for businesses, facilitate interoperability and support free and fair global trade. Under the World Trade Organisation’s Agreement on Technical Barriers to Trade, Australia is obligated to use international standards as a base for goods, except where they are ineffective or inappropriate.

Who develops standards?

There are broadly five types of voluntary standards.

International Standards are developed by international standards organisations with the opportunity for Australian representation and participation. These include the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC).

Regional Standards are developed by regional standards organisations, such as the Pacific Islands Standards Committee (PISC), European CEN-CENELEC standards, or ASEAN Harmonised Standards.

Australian Standards are developed by Standards Australia (Australia’s national standards body) through industry-led consensus.

Overseas Standards are developed by sovereign nations or national standards bodies that do not necessarily include Australian input. Examples include the British Standards Institution and American National Standards Institute.

Industry Standards are developed by groups working in specific industries or on specific types of products. An example is the Snell Foundation, which develops helmet safety standards.

¹ The Hon Dr Jim Chalmers MP, Treasurer, [National agreement to revitalise competition – for consumers, businesses and our economy](#), 2024.

² Federal Financial Relations, [Intergovernmental Agreement on National Competition Policy](#), 2025.

³ Federal Financial Relations, [Federation Funding Agreement on National Competition Policy](#), 2025.

Australia's approach to mandating standards in regulation is currently fragmented. There are two key issues with the implementation of the existing standard adoption and development system.

1. The readiness and ability of regulators to adopt suitable international and overseas standards, and recognise relevant assessment processes, varies by sector. This can create barriers to international trade in local industries where domestic mandatory standards are not aligned with approaches in the broader global economy. This can also create challenges for Australia to meet international trade obligations, under which we are obliged to prioritise the use of international standards.
2. Some regulators impose mandatory standards that (a) differ at the Commonwealth and state level and (b) vary between each state and territory. This lack of regulatory harmonisation across jurisdictions can create internal barriers to domestic trade and limits the ability for local businesses to develop economies of scale and scope.

Standards for bicycle helmets differ between jurisdictions – reducing consumer choice and increasing regulatory uncertainty on industry

At the federal level, the *Consumer Goods (Bicycle Helmets) Safety Standard 2024* prescribes which bicycle helmets can be sold in the Australian market. Currently, bicycle helmets must comply with one of six standards, including the Australian, European, and United States standard.

State and territory road use laws, however, specify the type of bicycle helmet allowed on public roads. This can differ substantially between jurisdictions. For example, New South Wales allows all six standards to be used on their roads, while Tasmania only recognises the Australian Standard. This inconsistency between federal product safety regulation and state road authorities creates the situation where helmets can be bought in one Australian jurisdiction but cannot be used legally in others.

When mandatory standards differ across jurisdictions, this can create higher compliance costs and regulatory uncertainty for businesses, lower product availability, and higher prices for consumers.

Harmonisation of mandatory standards – both domestically and internationally – positions Australia as one market with one set of rules within the global economy. This enhances Australia's attractiveness for trade by reducing regulatory burden and time to market for businesses, increasing local competition and product availability. Australian producers further benefit from harmonisation as they can provide goods and services using the same standards for local and international markets – potentially increasing their international competitiveness by allowing businesses to scale and sell into more markets.

Standards adopted in regulation, however, must be suitable for use in Australia and meet relevant regulatory objectives. Standards may be modified so they are appropriate for Australia's environmental or climatic conditions, or for national security reasons. In these cases, modifying an existing standard may offer greater benefits than adopting the standard in full. Policymakers must balance harmonisation across jurisdictions with unique local requirements.

Governments identified several sectors to the Productivity Commission (see Box 1 below for further information) where harmonisation across jurisdictions could potentially improve choice for consumers, reduce compliance costs for businesses, and lower administrative costs for governments.⁴

The Commonwealth Government, in consultation with states and territories (states), is developing two documents to implement standards reform:

- The **Competition Reform Guidelines** provide a set of evidence-based pro-competitive actions that governments can undertake to improve regulatory harmonisation of standards⁵; and
- The **Best Practice Handbook** will support Commonwealth policymakers and regulators to better recognise and adopt international, regional, and overseas standards in regulation at the national level. It has been developed with reference to DISR's 2016 *Best Practice Guide to Using Standards and Risk Assessments in Policy and Regulation* with the view to developing a single source of Commonwealth guidance on referencing standards in regulation. The Handbook will also support the Commonwealth to implement the Competition Reform Guidelines. States are also welcome to follow and apply this Handbook.

The Council of Federal Financial Relations (CFFR) will work to identify and agree priority sectors for reform by the end of 2025. Once identified, jurisdictions will negotiate and update the NCP agreement to include these reforms and associated payments for the states. The payment size will be determined in accordance with the estimated economic benefits generated from reform. The Productivity Commission is currently undertaking a study to estimate the impacts of reforming mandatory standards in various sectors.

From 2026, jurisdictions that decide to implement these reforms will then review their respective legislation in these sectors against the Competition Reform Guidelines (and Best Practice Handbook where relevant). States that update existing mandatory standards in line with the Competition Reform Guidelines, or using a suitably justified alternative approach (see Box 1 below), will receive redistributive payments once these reforms are implemented.

We are now seeking public feedback and views on these two documents, as well as your input on sectors that you believe would benefit from lowering barriers to the adoption of international and overseas standards. Your feedback will support the design of the draft Competition Reform Guidelines and Best Practice Handbook and inform our advice to the Commonwealth Government on the identification of priority sectors. These sectors will be agreed with the States.

Competition Reform Guidelines

The Competition Reform Guidelines (the Guidelines) seek to improve regulatory harmonisation of standards across jurisdictions in priority sectors. The Guidelines outline certain actions that Commonwealth, state and territory Governments can undertake when updating existing mandatory standards in priority sectors (i.e. addressing barriers now) and developing future mandatory standards in all sectors (i.e. preventing new regulatory barriers).

⁴ Productivity Commission, [National Competition Policy: Modelling Proposed Reforms](#), 2024, p 40.

⁵ Under the NCP agreements, the Commonwealth Treasurer (or their delegate) must approve the Competition Reform Guidelines before they take effect.

As an overarching principle, the Guidelines state that jurisdictions should define their regulatory objective and determine whether mandatory standards are the most appropriate policy tool to achieve said objective. Jurisdictions should consider the impact of proposed regulatory changes on affected stakeholders and make their findings public (in line with their respective impact analysis frameworks) to ensure the regulatory option offers the largest net public benefit to the community.

Jurisdictions should replace mandatory standards with less burdensome regulations or non-regulatory approaches if those are more suitable to meet the regulatory objective. If mandatory standards are deemed necessary to achieve the regulatory objective, jurisdictions should fully adopt all *appropriate* international, regional, Australian, and overseas standards to provide multiple pathways to compliance.

Importantly, the Guidelines aim to “*ensure consistency and interoperability with existing mandatory standards... except where this creates excessive and unnecessary compliance barriers*”. Recognising multiple compatible standards for compliance and harmonising these regulations across Australia is expected to lower barriers to trade, reduce adaptive costs, and expand consumer choice.

Box 1: Payments to the States for Implementing Reforms

Once the NCP agreement is updated to include standards reform in priority sectors, the Guidelines inform how states implement these reforms. If a state government fully implements the evidence-based, pro-competitive actions in the Guidelines in the agreed priority sector, it will be eligible to receive the full amount of funding allocated from the Commonwealth Government’s National Productivity Fund.

Where states deviate from the Guidelines and are seeking the full funding allocation, they must justify their proposed alternative approach to receive funding. The justification should (a) provide sufficient evidence⁶ to support the alternative approach; and (b) explain why the alternative approach achieves a higher or equal net benefit to the community.

Full or partial deviation from the Guidelines absent adequate justification will receive nil or partial funding.

Consultation Questions

Please provide case studies or examples to illustrate your views where possible.

1. Do the Guidelines help policymakers adopt suitable international, regional and overseas standards that meet their objectives? Why/why not?
2. Do the Guidelines help governments harmonise mandatory standards across Australia? If no, how would you change the Guidelines to better harmonise mandatory standards?
3. What other principles or considerations should the Guidelines include?

⁶ The level of evidence provided should be commensurate with the materiality of the deviation.

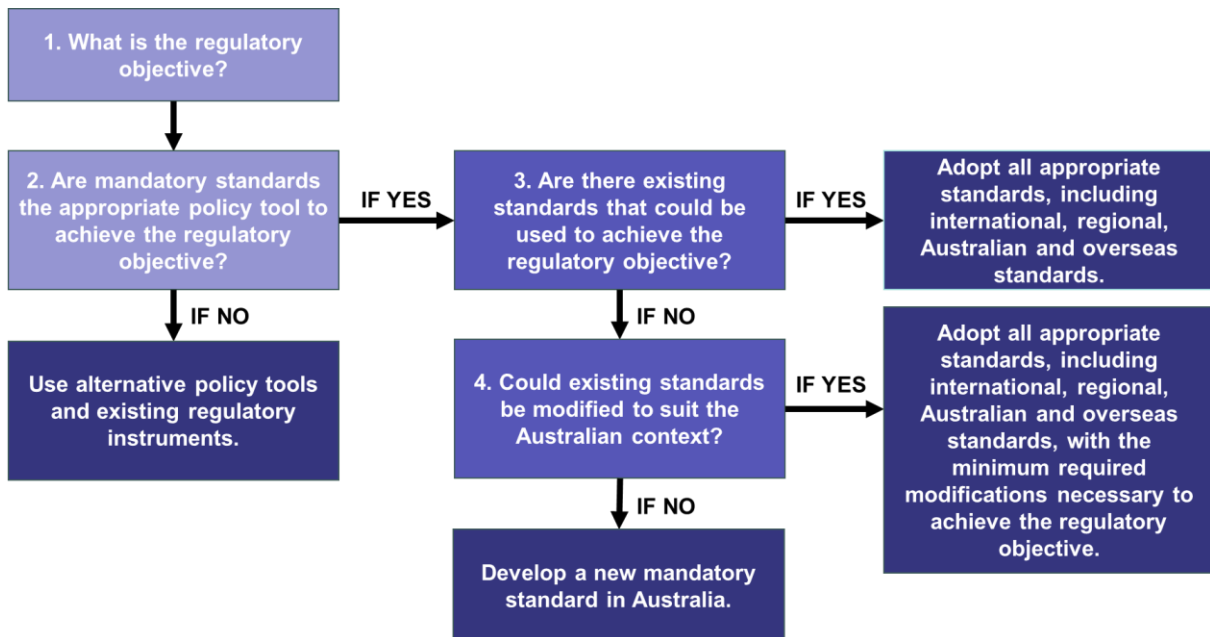
4. What risks, challenges or unintended effects may come up when applying the Guidelines?

Best Practice Handbook

The Best Practice Handbook (the Handbook) is intended to support the implementation of the Competition Reform Guidelines at the Commonwealth level. This Handbook will assist Commonwealth policymakers and regulators to determine if, when and how existing risk assessments, standards, and conformity assessment procedures should be adopted at the Commonwealth level. The Handbook can also assist state policymakers to navigate their own similar processes.

The Handbook outlines four key questions and regulatory design principles that policymakers should consider when they are determining whether mandatory standards should be used, and if so, how they should be implemented (see Figure 1 below).

Figure 1: Decision Tree for Policymakers on Standards Adoption and Development



The Handbook aligns with the Commonwealth Government's Regulatory Policy, Practice and Performance Framework to ensure targeted, risk-based, and proportionate regulation.⁷ Questions 1 and 2 in Figure 1 ask policymakers to consider whether mandatory standards are the right tool to meet the regulatory objective.

Policymakers should use an evidence-based approach to identify the policy that maximises the public benefit, while minimising the regulatory burden for individuals, businesses, and community organisations. Considering all policy options, including non-regulatory ones, will help to limit the creation of excessive, ineffective, or poorly targeted regulation.

If mandatory standards are identified as the right regulatory option, then Question 3 prompts policymakers to consider all appropriate existing standards as compliance pathways,

⁷ Department of Finance, [Regulatory Policy, Practice and Performance Framework](#), 2024.

including international, regional, Australian or overseas standards. This reduces regulatory burden, lowers barriers to trade, improves market access, and minimises adaptive costs for industry. Greater recognition of suitable existing standards will also allow more products to enter the Australian market – improving product availability, choice, and safety for Australian consumers.

The Productivity Commission has noted that improving the adoption of international standards will ensure consumers have greater choice of products, businesses face reduced compliance costs, and governments have lower administrative costs.⁸ For example, the ACCC estimates recent legislative amendments to allow for greater adoption of overseas product safety standards could lead to economy-wide business savings of at least \$500 million per year on regulatory costs alone.⁹

In some cases, existing standards may not suit Australia due to environmental, climatic, geographic, or national security reasons. In answering Question 4, policymakers can deviate from existing standards where there is clear evidence this approach will result in a net public benefit. Deviations from existing standards should be the minimum required to meet regulatory objectives and suit the Australian context. This will help reduce business adaptation costs.

The Handbook also provides eleven key considerations and policy tools for policymakers when creating and implementing mandatory standards. For instance, the Handbook recommends new standards should have sunset clauses and undergo regular reviews to stay relevant and minimise trade restrictions (Policy Tool 6). Similarly, using ambulatory referencing (Policy Tool 7) and performance-based criteria (Policy Tool 8) should help foster innovation, increase flexibility, enhance consumer safety, and reduce regulatory burden.

Consultation Questions

Please provide case studies or examples to illustrate your views where possible.

5. Does the Best Practice Handbook encourage policymakers to use suitable international, regional, and overseas standards? Why/Why not?
6. Does the Handbook help policymakers harmonise mandatory standards across Australia? If not, how would you change the handbook to better harmonise mandatory standards?
7. What other regulatory design questions or tools should the Handbook include?
8. What risks, challenges or unintended effects may come up when using the Handbook?

Priority Sectors for Reform

Once the Guidelines and Handbook have been finalised, CFFR will work to identify common priority sectors for reform. Under the draft Guidelines (see Clause 1.a. to 1.n.), all

⁸ Productivity Commission, [National Competition Policy: Modelling Proposed Reforms](#), 2024, p 40.

⁹ Australian Competition and Consumer Commission, [National Consumer Congress 2024 Introduction and ACCC Keynote Address](#), 2024.

governments will review and update existing mandatory standards in priority sectors to support regulatory harmonisation across Australia. This sectoral approach allows all governments to target their efforts at the highest value reforms – where there are the largest regulatory barriers to the adoption of international and overseas standards – to improve competition and raise living standards across Australia.

Box 2: Potential List of Priority Reform Sectors

The Productivity Commission's 2024 National Competition Policy report considered several sectors for potential reform identified by governments, including:¹⁰

- Health devices
- Food safety
- Product safety
- Batteries, EV charging, gas, and hydrogen
- Building and construction
- Data and digital
- Agricultural product
- Transport and manufacturing

Based on previous independent reviews and government reports, other priority reform sectors could include:

- Pesticides and veterinary medicines¹¹
- Household electrical consumer products¹²
- Circular economy and waste markets¹³

Reforms are already being progressed in some of these sectors. For example, the Parliament has passed legislation to improve the flexibility and enforceability of product safety and information standards.¹⁴ These changes allow the relevant Commonwealth Minister to more easily recognise international and overseas product safety standards and incorporate ambulatory referencing, where appropriate.

Similarly, the Commonwealth Department of Finance and the Australian Competition and Consumer Commission has reviewed the existing regulatory framework for household consumer electrical products.¹⁵ The review made 9 recommendations to improve consumer safety, increase regulatory efficiency, and reduce compliance costs for industry. All governments, through CFFR, agreed to cooperate to harmonise and consistently implement electrical safety regulations across jurisdictions.¹⁶ A National Meeting of Consumer Electrical Safety Ministers will be created to oversee implementation of agreed reforms by state

¹⁰ Productivity Commission, [National Competition Policy: Modelling Proposed Reforms](#), 2024, p 39.

¹¹ Department of Agriculture, Water and the Environment, [Final Report of the Independent Review of the Pesticides and Veterinary Medicines Regulatory System in Australia](#), 2021.

¹² Australian Competition and Consumer Commission, [Review of the Regulatory Framework for the Safety of Household Electrical Products](#), 2025.

¹³ Department of Climate Change, Energy, the Environment and Water, [Circular Economy Ministerial Advisory Group: Final Report – The Circular Advantage](#), 2024.

¹⁴ Parliament of Australia, [Treasury Laws Amendment \(Fairer for Families and Farmers and Other Measures\) Bill 2024 – Explanatory Memorandum](#), 2024.

¹⁵ Australian Competition and Consumer Commission, [Review of the Regulatory Framework for the Safety of Household Electrical Products](#), 2025.

¹⁶ The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, [Consumer Affairs Ministers renew commitment to protecting consumers, with an ambitious agenda for 2025](#), 2024.

electrical safety officials, including investigating risk-based regulation of extra-low voltage electrical products (such as certain lithium-ion batteries).

The Productivity Commission is undertaking further analysis and modelling on adopting international and overseas standards in regulatory frameworks, and harmonising regulated standards across Australia, in priority sectors identified by governments.¹⁷ This will include an assessment of the economic and revenue impacts, including expected GDP, inflation, and living standards.

The Department of Finance and the Treasury are working closely with the states, as well as other Commonwealth agencies, to identify these priority sectors for reform. We are seeking stakeholder input and empirical evidence to support the identification of priority sectors to ensure these reforms are most effectively targeted.

Consultation Questions

Please provide empirical evidence, case studies or examples to illustrate your views where possible.

9. Which sectors listed in Box 2 benefit most from applying the Guidelines and Handbook across Australia? What are the benefits and costs of applying them in that sector?
10. What other sectors should the Government consider for reform? For each sector suggested, give evidence of benefits and costs of reform.
11. What can the Government learn from overseas approaches to adopting and developing mandatory standards?

¹⁷ Productivity Commission, [National Competition Policy – Request for Advice](#), 2025.