

8 August 2025

Mr Michael Howes
Director
National Competition Policy Reforms
The Treasury
Langton Crescent
PARKES ACT 2600

via email: NationalCompetitionPolicy@treasury.gov.au

Dear Mr Howes

National Competition Policy: Lowering barriers to the adoption of international and overseas standards in regulation

The Australian Small Business and Family Enterprise Ombudsman (ASBFE0) welcomes the opportunity to comment on The Treasury and the Department of Finance consultation on reforms to lower barriers to the adoption of international and overseas standards in regulation. We support both the overarching reform proposal and the specific documents presented as part of this consultation.

We agree with the Consultation Paper's assertion that "... *recognising multiple standards for compliance and harmonising these regulations across Australia is expected to lower barriers to trade, reduce adaptive costs and expand consumer choice.*"¹ This will enhance Australia's business environment by reducing regulatory burdens, accelerating time to market, and increasing competition and product availability.

We believe the reform will bring substantial benefits for small businesses and family enterprises, including through lower compliance costs, improved access to products, and greater competitiveness. As highlighted in the Explanatory Memorandum for the *Treasury Laws Amendment (Fairer for Families and Farmers and Other Measures) Bill 2024*, the reforms in relation to product safety standards are projected to save businesses \$5 billion over ten years in administrative, testing, and compliance costs where goods or services already meet relevant international standards.²

We are strongly supportive of this reform agenda and are encouraged by the Consultation Paper's emphasis on evidence-based policymaking. The commitment to identifying policies that maximise public benefit while minimising regulatory burden—and to considering non-regulatory options—will help ensure that future regulations are effective, targeted, and proportionate.³

In response to the request for suggestions which sectors should be priorities for potential reform, we would suggest an initial focus on housing and construction. Housing supply and construction productivity are critical priorities for Australia. Difference between standards, both in substance

¹ *National Competition Policy: Lowering barriers to the adoption of international and overseas standards in regulation – Consultation Paper*, The Treasury, July 2025, p. 7

² *Treasury Laws Amendment (Fairer for Families and Farmers and other Measures) Bill 2024 – Explanatory Memorandum*, Australian Government, November 2024, p. 3

³ *National Competition Policy: Lowering barriers to the adoption of international and overseas standards in regulation – Consultation Paper*, The Treasury, July 2025, p. 8



and application between Australia and overseas, and even between Australian jurisdictions can impede both priorities. They can restrict supply chains, slow or prevent the adoption of new and innovative products including in energy efficiency, and add regulatory costs and complexity for suppliers and tradespeople. While recognising it may be appropriate in some cases to particularise a standard to the Australian context, we recommend that wherever possible standards should be harmonised with existing overseas and international standards.

Beyond product standards are the requirements and accreditations applied to building and construction activity. ASBFEO has been approached numerous times by construction and infrastructure maintenance firms about overlapping, inconsistent and duplicative requirements to undertake works in different jurisdictions.

Work health and safety requirements are an area where a construction, engineering and maintenance firm operating across jurisdictions and for different clients, face satisfying multiple standards or obtaining numerous accreditations ostensibly aimed at the same objectives.

The Work Health and Safety Accreditation Scheme (the Scheme), administered by the Federal Safety Commissioner, applies to Commonwealth-funded projects over a threshold value. When conceived nearly two (2) decades ago, the Scheme aimed to drive better practice and improve safety practices. Over this period, State and Territory jurisdictions have sought to improve their work health and safety frameworks and, for various activities, will insist on their implementation.

The Scheme duplicates a key integrated management system element already developed, maintained and accredited by the vast majority of Australian construction companies, namely ISO 45001:2018 Occupational Health and Safety Management Systems. The Scheme duplicates other contractor 'due diligence' and audits undertaken by procuring agencies and places a disproportionate burden on smaller firms. In addition, some larger and prime contractors in construction supply chains impose the additional business-to-business 'white tape' of 'mandatory onboarding services' through offshore providers such as Avetta. For a cost and considerable compliance effort, such services claim to enable *'suppliers to prove the value of their business'* against a range of factors including those also addressed by the Scheme. Having fulfilled this additional 'due diligence', a supplier is then 'connected' to the lead/prime contractor that imposed the requirement and can also be 'connected' to other larger and prime contractors, without the supplier's consent and at a cost without their approval.

Yet, the mandatory Scheme accreditation remains a necessary precondition for a smaller contractor to bid for or contribute to Commonwealth-funded construction work, while clearly not in itself, satisfying jurisdictional and sector requirements. Additional and duplicative requirements serve to enshrine the position of dominant larger firms, assisted by the Scheme that acts as a barrier to smaller firms directly competing for this pool of work. We are happy to provide contact details for construction industry stakeholders which have raised this concern with ASBFEO if helpful.

Another area we recommend prioritising is data and digital (including AI), an area of regulation that is rapidly evolving globally. We would encourage this work to emphasise the benefits of data and digital adoption, and how barriers to business uptake can be reduced. For example, harmonising with overseas and international standards may reduce delays and uncertainty for Australian small business seeking to adopt AI tools and reduce the risk that an unnecessarily bespoke approach could render Australia a digital island.



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

We have no specific concerns regarding the structure or content of the Best Practice Handbook and agree it will deliver on its stated purpose. That is, to assist “...*assist Commonwealth policymakers and regulators to determine if, when and how existing standards, risk assessments and conformity assessment procedures should be adopted in Australia.*”⁴

We are also pleased to see that the toolkit has been designed with adaptability in mind, acknowledging the diversity of risk postures, legislative frameworks, and regulatory scopes across government.

We recognise the essential role regulation plays in shaping Australia’s economy and society. However, small businesses often face a disproportionate share of compliance costs. For this reason, we were particularly encouraged by the toolkit’s guidance that regulation—including mandatory standards—should not be the default policy response. Policymakers should be empowered to consider the full spectrum of policy tools, both regulatory and non-regulatory, to achieve their objectives in a way that minimises unnecessary burden.

If you require any further information or would like to provide specific feedback on this submission, please do not hesitate to contact the Policy and Advocacy team via email at advocacy@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

⁴ *Best Practice Handbook Adopting risk assessments, standards and conformity assessment procedures in regulation*, Department of Finance, July 2025, p. 3