

August 2025 Reforms to Improve Standards in Regulation

SUBMISSION TO TREASURY

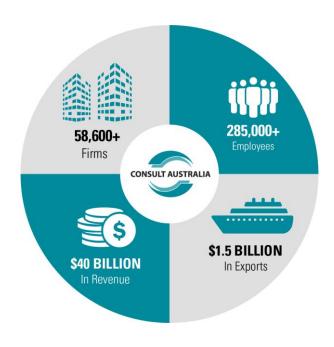
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About us

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

Our members include:



A full membership list is available on our website.

Executive summary

Consult Australia is pleased to provide a submission to Treasury's National Competition Policy consultation on reforms to improve use and recognition of standards in regulation. The reforms prioritise lowering barriers to the adoption of international and overseas standards in regulations, as outlined in the 10 year national reform agenda between federal, state and territory governments. The 10 year national reform agenda follows Treasury's Revitalising National Competition Policy consultation that Consult Australia submitted to in September 2024.

Consult Australia supports the reform agenda to remove barriers or impediments to competition that do not provide a net public benefit or are unnecessary to achieve the desired public policy outcome. Consult Australia acknowledges the intent of standard reforms to improve regulatory efficiency, reduce burden and enhance competition. The Competition Reform Guidelines and Best Practice Handbook provide detailed instructions for standards adoption and development. There is a strong emphasis on evaluating existing international, regional, Australian and overseas standards and criteria specified for deviations.

But the deviation criteria do not consider future opportunities, and the Guidelines only consider interoperability and consistency with existing Australian mandatory standards. This may limit the quality and harmonisation of standards. Access to standards is also not addressed.

In summary, Consult Australia supports:



Championing quality standards

Ensuring building and construction integrity and consumer confidence involves many parties with access to quality standards. Investment in assessing international standards for the local context should be prioritised. Any deviations should consider the impact on future opportunities. Free access should be provided to Australian Standards referenced in legislation and codes.



Harmonising standards

Regulatory efficiency is beneficial for government and businesses of all sizes. Harmonisation of standards will improve productivity and reduce the business impost. National consistency and interoperability should be prioritised and include an assessment of duplication/misalignment with existing standards.

Championing quality standards

Investment in updating existing standards and assessing international standards for the local context should be prioritised. Deviations should consider the impact on future opportunities. Free access should be provided to Australian Standards referenced in legislation and codes.

Consult Australia contributed to the Productivity Commission's National Competition Policy Analysis 2025 on adopting international and overseas standards in regulatory frameworks and harmonising regulated standards across Australia. Our submission can be found here.

Maintaining quality

Quality standards are those that are up-to-date and which, when followed, help achieve a quality design and build. Consult Australia shares the concerns of Standards Australia about the automatic adoption of overseas standards without an investment in ensuring those standards are suitable (and/or modified) for the local context.

The Guidelines address the concern about the adoption of overseas standards but could be improved when considering local standards.

The Guidelines require that deviations for new or updated existing standards (including international, regional, Australian and overseas standards) be minimised and only progress if two criteria are met:

- The existing standards are not suitable for the local context or do not align with the regulatory objective.
- The deviation results in a larger net public benefit.

The two criteria above assess current state considerations and do not look to the future or future benefits of deviations. Consult Australia recommends additional criteria being included in the Guidelines for example:

• The deviation positively impacts Australia's future competitiveness and productivity.

This will assist with maintaining quality and currency of standards. The Guidelines should make clear that once a deviation has met all criteria and should progress, developing the standard must involve industry co-design to ensure the competitiveness and productivity outcomes are met.

We make this recommendation because a standard that is out of sync with competitive benchmarks for an industry or sector may compromise quality.

Ensuring access

Consult Australia, as a member of the Australian Construction Industry Forum (ACIF) agrees that Australian Standards referenced in the National Construction Code (NCC) must be freely available. Just as the NCC is made freely available, so should the standards referenced in the NCC.

Lack of free access to these standards has serious implications for the safety and quality of buildings. In the last few years, building integrity and confidence has been a major concern for the community, governments and industry. Enabling better access to Australian Standards is a practical way to address this issue and directly assist industry participants to understand and apply the standard requirements to deliver higher quality and safer buildings.

Better access to standards is both readily solvable and relatively inexpensive. Consult Australia supports the recent <u>collaboration</u> by Standards Australia with industry leaders to advocate for a national standards access model for the construction sector. Consult Australia recommends government enables standards to be made freely accessible where they are required by law.

Harmonising standards

Harmonisation of standards will improve productivity and reduce the regulatory impost for businesses. National consistency should be promoted and alignment with international standards should be tested to ensure interoperability and competitiveness.

The consultation paper outlines the objective of 'minimising unnecessary compliance costs and complexity – including for businesses and people working across borders and systems'. Over 90% of Consult Australia members (including sole traders and small businesses with only one office location) provide services in more than one jurisdiction and navigate the custom regulation in each jurisdiction. In some cases, the differentiation between jurisdictions is unnecessary, resulting in undue complexity, duplication and inconsistency.

Harmonisation of standards, alignment and interoperability are important factors to reduce the regulatory burden and costs of compliance for businesses, as well as reduce barriers to operating across jurisdictions.

Promoting national consistency

The Guidelines address voluntary standards and foster harmonisation of mandatory standards by minimising deviation through the two criteria outlined above. Consult Australia recommends the inclusion of extra measures to promote national consistency of standards and codes across jurisdictions. The Guidelines should encourage using and/or updating existing standards or creating a new national standard, where possible. Coordination across jurisdictions to streamline standards and ensure consistent implementation is encouraged.

Ensuring interoperability

Alignment with international standards needs to be considered so that Australian standards remain interoperable and competitive. When setting or tailoring standards there is consideration of Australia-specific conditions, but unnecessary differentiation in regulation can hamper future opportunities. If an international standard exists, it should be critically evaluated to determine if a different approach is necessary and/or beneficial for Australia. This is particularly important given the pace of change, for example technology. Consult Australia recommends the Guidelines are revised to include an assessment of alignment and interoperability with existing standards.

Contact

We would welcome any opportunity to further discuss the issues raised in this submission.



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Thanks to our Industry Champions

For their outstanding leadership and engagement on behalf of the industry.

