

SUBMISSION

REFORMS TO IMPROVE USE AND RECOGNITION OF STANDARDS IN REGULATION

AUGUST 2025

The Australian Retailers Associations (ARA) and National Retail Associations (NRA) welcome the opportunity to provide feedback on the Reforms to Improve Use and Recognition of Standards In Regulation consultation.

The ARA and the NRA, which propose to amalgamate into the Australian Retail Council (ARC), represent a \$430 billion sector that employs 1.4 million Australians—one in ten workers—making retail the nation's largest private sector employer and a cornerstone of the Australian economy.

Our combined membership spans the full breadth of Australian retail: from family-owned small and independent businesses, which comprise 95% of our membership, to the largest national and international retailers that support thousands of jobs and sustain communities across both metropolitan and regional Australia. Our industry operates more than 155,000 retail outlets nationwide, with the majority of those also represented by an online or e-commerce presence.

A strong retail sector delivers widespread benefits to all Australians, with a significant portion of every dollar spent in retail flowing back into employees, suppliers, superannuation funds, and local communities. We are united in advocating for the policy settings, reforms and collaboration that will drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it.

EXECUTIVE SUMMARY

The Associations supports Treasury's efforts to reduce regulatory barriers and improve the adoption of international and overseas standards in Australian regulation. Fragmented standards across jurisdictions and outdated mandatory requirements continue to impose unnecessary costs on retailers, restrict product availability, and hinder innovation.

The proposed Competition Reform Guidelines and Best Practice Handbook offer a strong foundation for reform. To be effective, they must embed early and consistent industry consultation, introduce a clear small business impact test, and ensure enforcement parity between domestic retailers and offshore e-commerce suppliers. National consistency will also require stronger coordination across jurisdictions to avoid duplication and support uniform implementation.

To support practical uptake, the Associations recommends additional tools including a safe harbour mechanism, an international standards assessment matrix, and clearer guidance for managing regulatory overlap, particularly in complex areas such as PFAS regulation.

Priority reform sectors should include product safety, batteries, and retail labelling and technology, where inconsistent or outdated standards are creating tangible operational challenges.

These reforms represent a timely opportunity to modernise Australia's regulatory approach. The Associations looks forward to working with government to ensure the framework is practical, coordinated, and responsive to the needs of a modern retail economy.

BODY OF SUBMISSION

COMPETITION REFORM GUIDELINES

Q1–4: Adoption, Harmonisation, Principles and Risks

The Associations supports the intent of the Competition Reform Guidelines to promote the use of international and overseas standards, reduce duplication, and improve compliance efficiency across Australia's regulatory landscape. The Guidelines provide a solid foundation for reform, particularly in encouraging risk-based assessment and recognition of multiple compliance pathways.

However, the success of these reforms will depend on their practical application. The Associations highlight the need for:

- Mandatory and early industry consultation, especially to assess feasibility, supply chain implications, and small business impact;
- Clear enforcement parity between local businesses and offshore e-commerce retailers, particularly in online retail environments;
- Stronger national harmonisation mechanisms, including incentives for state and territory uptake and clear processes for managing justified deviations; and
- Commonwealth-led implementation support, including guidance for regulators, inter-agency coordination, and ongoing post-implementation review.
- Without these refinements, the risk remains that state-by-state inconsistencies, bespoke domestic standards, and limited regulator resourcing will undermine the objectives of the Guidelines.

A clear example of missed opportunity is Australia's unique mandatory bicycle standard (Consumer Protection Notice No. 6 of 2004), which is based on AS/NZS 1927 and does not accept international alternatives such as ISO 4210 or EN ISO 4210. This approach unnecessarily limits market access and imposes duplicative testing and compliance costs, despite no Australia-specific conditions that would justify deviation. Similarly, the current DEHP ban under Consumer Protection Notice No. 11 of 2011 lacks clarity on acceptable international equivalents, despite global standards like CPSIA Section 108 and REACH Annex XVII offering proven, safety-based frameworks. These examples highlight the practical importance of explicitly recognising trusted international standards to remove trade barriers and improve consumer access.

BEST PRACTICE HANDBOOK

Q5–8: Use, Harmonisation, Tools and Risks in the Best Practice Handbook

The Associations support the Best Practice Handbook as a practical tool for promoting the adoption of suitable international, regional, and overseas standards. Its risk-based framework and structured approach to decision-making are welcome. However, improvements are required to ensure it is consistently applied across jurisdictions and aligned with existing regulatory frameworks.

To strengthen its utility, the Handbook should provide clearer guidance on how to assess the equivalency of standards, domestic or international. This includes outlining the competencies required to make such assessments, including reference to relevant national standards committees and engagement of technical experts. Australian standards, particularly those developed or reviewed within the last five years and endorsed by appropriate committees, should be treated as a priority where they exist. International standards should be considered where no suitable Australian equivalent exists or where local adoption is no longer fit-for-purpose but not preferred by default.

To support practical implementation, the Handbook should include:

- A matrix of contextual considerations to assess whether Australian conditions (e.g. climate, safety, performance requirements) would affect the suitability of an overseas standard;
- A safe harbour mechanism allowing trusted international standards to be used during formal assessment;
- A formal industry feedback mechanism to support real-world evaluation during and after implementation.

Retailers have also identified operational barriers that the Handbook must help address:

- Inconsistent federal and state regulations (e.g. e-mobility requirements),
- Limited local testing capacity, driving up costs and delays,
- Lack of recognition for international conformity assessments, requiring redundant testing, and
- Documentation requirements that diverge from global norms, increasing compliance burden.

The Handbook's success will also depend on stronger national uptake. To achieve this, it should align closely with the Competition Reform Guidelines and actively promote adoption across states and territories. Tools such as an international standards assessment matrix, a regulator coordination checklist, and structured post-implementation review processes would improve harmonisation, particularly in areas like chemicals and product safety where the PFAS example illustrates the risks of regulatory fragmentation.

Finally, oversight remains a concern. While the Office of Impact Analysis assesses proposals at the pre-implementation stage, there is currently no mechanism to ensure regulators follow best practice during and after implementation. The Associations supports linking the Handbook to the Department of Finance's Regulatory Policy, Practice and Performance Framework, and encourages further development of RMG 128 to strengthen post-implementation accountability.

PRIORITY SECTORS FOR REFORM

Q9–11: Priority Sectors, Additional Areas for Reform, and International Lessons

The Associations support prioritising reform in sectors where fragmented or outdated standards are creating operational and compliance burdens. Product safety remains a key concern, with inconsistent requirements across jurisdictions (e.g. bicycles) resulting in duplication, limited availability, and higher costs. Aligning with trusted international standards like ISO 4210 and REACH/CPSIA would improve efficiency and consumer access.

Batteries and electrical goods require urgent national consistency, particularly for lithium-ion products, where varying safety and labelling standards hinder compliance. Emerging data and digital technologies (e.g. digital receipts, ID systems) also need consistent national treatment to enable secure innovation and reduce integration costs for retailers.

Other high-priority sectors include:

- Food safety, where overlapping state and federal rules create inefficiencies,
- Agricultural standards, where outdated or prescriptive rules (e.g. labelling, grading) need outcome-based reform,
- Transport and manufacturing standards, particularly around battery handling and product durability, which require nationally consistent frameworks to reduce regulatory friction across supply chains.

Additional areas recommended by retailers include:

- E-mobility and consumer tech, where inconsistent state-level rules add cost and complexity,
- Retail packaging and labelling, especially for FMCG and imports,
- Point-of-sale technology, including biometric and EFT tools,
- Apparel and textiles, where legacy standards (e.g. flammability, care labelling) restrict access to compliant overseas products.

Internationally, Australia should draw on:

- EU/UK models, which recognise harmonised standards across jurisdictions to reduce duplication;
- US mutual recognition frameworks, which eliminate redundant testing and speed up market access;
- New Zealand's agile standard updates, which reduce regulatory lag and ensure ongoing relevance.

A principles-based approach, supported by transparent criteria for accepting trusted international standards and clear guidance for implementation, would deliver long-term gains for regulators, businesses, and consumers.

CONCLUSION

The Associations welcome the Government's reform agenda to modernise Australia's standards framework and supports the intent of the Competition Reform Guidelines and Best Practice Handbook to improve harmonisation, reduce regulatory duplication, and enable safe, timely adoption of trusted international and overseas standards.

To ensure the reforms deliver meaningful outcomes, industry consultation must be embedded throughout the regulatory lifecycle, with a clear focus on the practical impact for small and independent businesses. Equal enforcement across domestic and offshore suppliers is essential to maintaining a level playing field, particularly as online retail continues to grow. National consistency will require stronger intergovernmental coordination, incentives for state and territory adoption, and structured post-implementation review.

The Associations recommend embedding safe harbour mechanisms and practical tools, such as an international standards equivalency matrix and a regulator coordination checklist, to help policymakers navigate multi-jurisdictional and cross-sector

environments. These tools, along with clearer guidance on the acceptance of international conformity assessments, would support more agile and risk-based regulatory responses.

Reform efforts should prioritise high-impact sectors including product safety, batteries and electrical goods, digital technologies, and packaging, areas where fragmented or outdated standards are driving unnecessary cost and complexity. The Associations look forward to working with government to ensure implementation is consistent, transparent, and grounded in real-world industry experience.

The ARA and NRA appreciate the opportunity to contribute to this important discussion.

We encourage the Australian Government to continue working closely with industry to ensure the standards reform framework is practical to implement, aligned with real-world commercial settings, and supported by clear guidance, regulatory coordination, and ongoing review.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.