



Reforms to improve use and recognition of standards in regulation

HIA Submission August 2025





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Executive Summary

Thank you for the opportunity for the Housing Industry Association (HIA) to provide a submission on the Reforms to improve use and recognition of standards in regulation.

This submission builds on [HIA 2025-2026 Pre-Budget Submission](#) alongside our [submission](#) to the Productivity Commission in consultation on pillars:

- 1: Creating a more dynamic and resilient economy; and
- 5: Investing in cheaper, cleaner energy and the net zero transformation.

We would encourage the Productivity Commission to take on board our recommendations from the HIA [submission](#) on National Competition Analysis.

HIA recently made a comprehensive [submission](#) to Housing Construction Productivity Inquiry and note that this featured prominently in the recommendations included in the [Housing construction productivity: Can we fix it?](#) Productivity Commission report published in February this year.

HIA welcomed the publication and recommendations of that report as providing a clear blueprint for productivity reform. Furthermore, we are supportive of fast tracking the delivery of the reforms identified in that report to increase housing supply, reduce housing delivery costs and support builders to get on with building homes.

This submission does not seek to replicate the Can we fix it? report nor our previous Productivity Commission submissions, but instead to build off that with respect to the specific focus areas within the scope of this consultation.

The detailed comments on those matters raised in the consultation paper are listed below and we would welcome the opportunity to discuss.



1. Do the Guidelines help policymakers adopt suitable international, regional and overseas standards that meet their objectives? Why/why not?

Partially. While the Guidelines promote the adoption of international standards, significant barriers remain in operationalising this approach. HIA notes that despite longstanding policy commitments (e.g. ABCB's IGA and Standards Australia's MOU), there is limited objective measurement and oversight which would allow follow-up across other portfolios. The lack of a clear, streamlined mechanism—such as Singapore's Product Listing Scheme—hinders effective adoption.

The principle that if a system, service or product has been approved under a trusted international standard or risk assessment, then Australian regulators should not impose any additional requirements, unless there is a good and demonstrable reason to do so is sound policy settings is an overdue outcome that should be actively pursued.

These core principles still ring true in 2025 and to HIA's knowledge there has been limited follow up work by respective Ministerial portfolios to progress this work

2. Do the Guidelines help governments harmonise mandatory standards across Australia? If no, how would you change the Guidelines to better harmonise mandatory standards?

They are a step in the right direction. HIA highlights cost-benefit analysis requirements before harmonisation as a key step and the presence of the guidelines provides and empowers regulators to adopt recognised international standards with clear criteria. Governments are often too eager to make new rules rather than to what extent we can rely on international standards and larger markets as a signal for where new interventions are needed.

3. What other principles or considerations should the Guidelines include?

Broadly the guideline should focus on risk-based regulation and advocate for the proponent to justify non adoption based on risk, higher cost, and include an example of the economic benefit, including a framework for assessment as a key criteria in recognition of small business constraints.

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

There are a number of potential sources, harmonisation may lead to unnecessary regulatory stringency. National harmonisation which simply seeks to mandate one or more states to unjustifiably increase their current regulation stringency for the sake of consistency alone is not a reduction in red tape and should not be put forward as such.

Uniform standards may not suit local conditions or small businesses and therefore HIA supports local tailoring of obligations where justification exists.

Uniform adoption could lack coordination across jurisdictions and slow reform or revision so there needs to be a facility to adapt obligations.

The greatest challenge will likely come from regulators or industries where incumbents favour the current system and it can be difficult or expensive to quantify benefits, such as lower costs or higher performance. In these cases, competition motivations can be difficult to distinguish from technical objections. This requires persistent government involvement, and many regulators lack the resources to engage for long periods. Jurisdictions with higher standards and regulatory thresholds will perceive any change as a reduction in standards and a threat to safety where this is not already quantified.



5. Does the Best Practice Handbook encourage policymakers to use suitable international, regional, and overseas standards? Why/Why not?

In principle, yes, but for full adoption, practical uptake will be limited. The Handbook references international alignment, and HIA support it containing:

1. Clear criteria for acceptance (e.g. ACCC's safety, jurisdictional comparability, and applicability model).
2. A streamlined process for integrating international standards into regulation.
3. Portfolio-level accountability for implementation.

In principle many Australian Government standards setting bodies apply as a guiding principle a commitment to reducing the burden of regulation, but significant barriers continue to exist in having this become operationally effective.

One is a lack of proponents or clear support for the work being initiated.

Standards Australia is the country's leading independent, non-governmental, not-for-profit standards organisation. Standards Australia represents Australia on many international standards committees and has a long history in publishing and adapting international standards in Australia.

Standards Australia also publishes SG 007: Adoption of International Standards. This Guide sets out the policy of Standards Australia on the adoption of International Standards as Australian Standards (including joint Australian/New Zealand Standards) and is intended to assist committees in their consideration of the international alignment of Standards under development.

Within this Guide it contains an appendix which provides a general outline of the process consideration of the adoption of an International Standard should be an integrated part of the Standards development process, along with the other considerations, such as costs and benefits.

While Standards Australia plays a key role in the process, their involvement can come after the point where an international standard should be considered at proposal. They therefore are effectively adapting international obligations to national standards rather than promoting the use or simply relying on the use of the International Standards in legislation.

Similarly, there is not any accountability mechanism which reports against the existence of international standards. Where new standards are proposed, Standards Australia can capture data as a part of project prioritisation on the existence and suitability of international equivalents.

6. Does the Handbook help policymakers harmonise mandatory standards across Australia? If not, how would you change the handbook to better harmonise mandatory standards?

It would in part but could go further and include case studies (e.g. Singapore model) and provide a baseline economic model or assumptions and criteria to use to measure benefits of alternatives.

While more in the compliance regime, New Zealand released Building Product Specifications which lists 130 product standards (including US, European and other international standards) to allow the acceptance of products alongside New Zealand equivalents for:

- Plasterboard
- Cladding and
- Insulation.

The list also consolidates the full range of fire testing standards. This is an example of how given the right incentive, rule makers can encourage international suppliers to participate in overseas markets.



7. What other regulatory design questions or tools should the Handbook include?

Australian regulators could follow a similar model to Singapore that can provide a clear pathway for compliance and provide regulator certainty. This could be addressed by developing a set of criteria to which a recognised standard must satisfy. The ACCC recently published a similar set of criteria for acceptance of product safety standards.

8. What risks, challenges or unintended effects may come up when using the Handbook?

As discussed above the issues are cultural, and the risk which will most often be presented is that harmonisation lowers the local standard. There is an implicit incentive to increase standards, so the highest (performance) will by default become the most attractive. Australia, if adopting full ISO or other equivalents also lose some influence over standards revisions and directions due to its size or apparent lack of expertise.

Which sectors listed in Box 2 benefit most from applying the Guidelines and Handbook across Australia?

Building and Construction have a lot to gain.

What are the benefits and costs of applying them in that sector?

The main cost avoided is overcoming the duplication of verification and approval at certification. Where equivalent standards exist, there is currently a duplication in testing and verifying for international products to local standards. This could involve physical retesting or procuring opinions or Performance Solutions. Conceptually, if this were to be overcome at a higher level it would produce savings on each project. Such a change would need to be supported with rigorous reporting frameworks.

This could flow onto reductions in cost of products, more competition and ultimately more affordable housing. HIA welcome a clear blueprint for productivity reform to increase housing supply, reduce housing delivery costs and support builders to get on with building homes, rather than administrative approvals.

10. What other sectors should the Government consider for reform? For each sector suggested, give evidence of benefits and costs of reform.

Workplace relations have been largely excluded from the reach of competition and trade practices laws.

The QLD Productivity Commission recent report suggests these can drive up costs and reduce productivity.

11. What can the Government learn from overseas approaches to adopting and developing mandatory standards?

Singapore's Product Listing Scheme: Offers a model for recognising multiple standards without picking winners by providing a list of 'recognised standards,' which provides a streamlined pathway for product acceptance and facilitating international trade.

Others include the EU's CE marking system which facilitates cross-border trade through harmonised product standards and New Zealand's Closer Economic Relations Agreement which demonstrates effective bilateral standard alignment.