

# Lowering Barriers to the Adoption of International and Overseas Standards in Regulation

## A Submission to the Australian Treasury

Monday, 4<sup>th</sup> August 2025

## 1. Introduction

The Australian Logistics Council (ALC) welcomes the opportunity to contribute to Treasury's consultation on Lowering Barriers to the Adoption of International and Overseas Standards in Regulation, as part of the broader revitalisation of National Competition Policy (NCP). As the national peak body representing Australia's largest end-to-end supply chain and logistics companies, ALC advocates for consistent regulatory and planning frameworks that enhance productivity, resilience, safety, and sustainability across all freight modes—road, rail, sea, air, and intermodal. Freight is a foundational enabler of the national economy. It facilitates the movement of over \$1.2 trillion in goods annually<sup>1</sup> and supports more than 750,000 jobs across all jurisdictions<sup>2</sup>. Despite its strategic importance, the supply chain sector continues to operate within a policy environment characterised by regulatory duplication, jurisdictional fragmentation, and planning frameworks that fail to reflect the fixed and long-term nature of freight infrastructure. These inefficiencies increase costs, reduce supply chain agility, and erode investment certainty—particularly in a climate of escalating geopolitical, environmental, and market shocks. A more coherent national framework for standards and planning is essential to improving the performance of Australia's freight and logistics network.

The current NCP reform process provides an opportunity to address these structural challenges. However, ALC is concerned that elements of the Competition Reform Guidelines—particularly where linked to funding agreements that incentivise the 'rationalisation' of industrial and commercial land—risk unintentionally weakening the operational base of the Australian supply chains. Industrial and logistics land is not interchangeable with general commercial or residential uses. Misaligned planning incentives or inappropriate rezoning can permanently diminish sovereign capability, network capacity, and productivity. This submission outlines key freight-related implications of the proposed reforms, including the benefits of adopting international standards, the risks of land use rationalisation policies, and the importance of embedding freight within planning and regulatory systems.

## 2. Support for International Standards to Improve Consistency and Trade

ALC strongly supports the removal of unnecessary barriers to the adoption of international standards, particularly where they:

- Reduce duplication and compliance costs across jurisdictional borders.
- Enhance alignment with global trade and investment frameworks, including WTO obligations and Free Trade Agreements.
- Accelerate the uptake of low- and zero-emission technologies already compliant with recognised international benchmarks.

Inconsistent adoption of technical standards across Australian jurisdictions undermines productivity and imposes additional costs on freight operators. Fragmented regulation—such as differing rules on vehicle access, axle weights,

<sup>1</sup> <https://www.propertycouncil.com.au/wp-content/uploads/2024/02/The-value-of-goods-through-Australias-industrial-assets.pdf>

<sup>2</sup> <https://www.jobsandskills.gov.au/data/occupation-and-industry-profiles/industries/transport-postal-and-warehousing>

rolling stock, safety technologies, or emissions—delays the introduction of newer, cleaner, and more efficient vehicles. These inconsistencies also create retrofit burdens and increase procurement costs for businesses.

At present, there is no systematic process to benchmark Australia's heavy vehicle standards against those of the United Nations Economic Commission for Europe<sup>3</sup> (UNECE) or similar bodies. This represents a missed opportunity to improve regulatory coherence and reduce trade frictions.

ALC endorses the Best Practice Handbook's position:

*"If mandatory standards are deemed to be the appropriate tool to meet the regulatory objective, then policymakers should aim to use international standards, where one exists, unless they can demonstrate that the standard is not suitable for the Australian context."*

This principle is particularly relevant to vehicle design, safety systems, alternative fuels, and digital freight technologies. Greater alignment with established international standards would reduce compliance friction, lower import costs, and accelerate the industry's transition to more sustainable freight technologies.

### 3. Risks of Jurisdictional Planning Constraints and Zoning Rationalisation

ALC raises concern about the provisions outlined in the *Competition Reform Guidelines for Federation Funding Agreements – Affordable Housing, Community Services and Other*, particularly Project 3 (paragraphs 3 and 4), which proposes linking competition payments to the rationalisation of commercial and industrial zoned land. While ALC supports improved land use efficiency, blanket rationalisation of industrial zones risks undermining the freight task. Logistics operations are location sensitive. Proximity to ports, intermodal terminals, arterial roads, and distribution hubs is critical to network efficiency. These assets cannot simply be relocated without significant cost, access implications, and operational disruption. Encouraging displacement of freight and logistics activities to accommodate residential or mixed-use development, without sector-specific safeguards, weakens Australia's economic resilience and increases freight movement costs—particularly in congested urban corridors.

ALC recommends that any land consolidation policies under the NCP framework:

- Be informed by independent freight-specific impact assessments.
- Include protections for critical freight corridors, terminals, and industrial precincts; and
- Be supported by infrastructure servicing strategies prior to any land use transition.

### 4. Building a Productive, Globally Aligned Freight Sector

Australia's ability to remain competitive in global markets depends on the efficient movement of freight. National reform processes, including the revitalisation of NCP, should therefore prioritise:

- Planning system alignment – to preserve freight-accessible industrial land and support long-term infrastructure investment.
- Regulatory harmonisation – to streamline vehicle access, design, and safety requirements across jurisdictions; and
- Adoption of international standards – to enable cost-effective decarbonisation and competitiveness in global freight markets.

One area where greater harmonisation would unlock significant productivity benefits is rail rollingstock and related equipment. Currently, inconsistent standards across jurisdictions hinder the approval, procurement, and deployment of modern rail technologies. These inconsistencies:

- Impose additional costs on rollingstock manufacturers and operators due to duplicative approval processes.

<sup>3</sup> <https://unece.org/transport/vehicle-regulations>

- Create a disincentive to invest in newer, lower-emission technologies, favouring outdated but approved equipment.
- Limit interoperability and delay procurement cycles, reducing the efficiency of rail freight services.
- Undermine the modal shift imperative and inhibit progress toward national decarbonisation targets.

Aligning rollingstock standards across states—and where feasible, adopting recognised international benchmarks—would reduce barriers to entry for new suppliers and accelerate the deployment of more efficient rail assets. This would also enable access to a broader set of global supply chains and technologies, provided minimum safety and operational performance thresholds are met.

ALC encourages Treasury to examine precedent-based approaches, such as Victoria’s regulation of bicycle helmets, where overseas standards are accepted through flexible equivalency provisions. A similar framework could be applied to rollingstock and other rail infrastructure (e.g., level crossings, signalling, trackside equipment), allowing state-based regulators to accept a defined range of approved standards. This would preserve corridor-specific requirements (e.g. clearances, axle loads) while reducing approval complexity and encouraging market competition. Freight and logistics must continue to be explicitly embedded in the design and implementation of NCP-linked reforms, including funding agreements that incentivise state-based regulatory and planning changes.

## 5. Recommendations

To support the objectives of competition policy while protecting the productivity and resilience of the national freight system, ALC recommends that Treasury:

1. Formally recognise freight transport and logistics as a strategic enabler of national competition and productivity and ensure its inclusion in the assessment of funding-linked reforms.
2. Clarify that international standards should be adopted wherever they meet Australia’s regulatory objectives, particularly in vehicle and equipment performance, emissions, and safety.
3. Avoid land rationalisation reforms that diminish freight and supply chains’ capacity or displace strategic logistics infrastructure, unless underpinned by freight-specific impact assessments and servicing guarantees.
4. Establish mechanisms to benchmark key Australian freight regulations against relevant international standards, to identify reform opportunities and improve trade facilitation.

## 6. Conclusion

ALC supports the overall intent of Treasury’s reform agenda and welcomes efforts to reduce regulatory fragmentation, improve international alignment, and incentivise planning system reform. However, these reforms must not come at the expense of freight productivity, industrial land security, or sovereign supply chain capability. A nationally consistent, standards-aligned, and freight-aware policy environment will deliver enduring benefits across the economy. ALC looks forward to working with Treasury to ensure that competition policy modernisation supports a resilient, low-emission, and globally competitive freight and logistics system.