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## Australia Eyes Rule Reform to Boost Economy

August 7, 2025

– Categories: General News



Australia currently has more than 7,500 product and service standards in place to ensure safety. However, the commission found that over 75 per cent of these standards do not align with international equivalents. Additionally, 40 per cent of the standards embedded in legislation are now obsolete or superseded, and only one in four are applied uniformly across states, territories, and the Commonwealth.

The report suggests that addressing these inconsistencies could significantly reduce costs for consumers and businesses. Aligning with international standards, particularly in sectors

like infant formula, furniture packaging, and flooring, could deliver annual economic benefits of nearly \$4 billion, potentially lifting Australia's GDP by 0.2 per cent.

For example, local manufacturers of infant formula face labelling requirements that differ from those in Europe, the US, and Hong Kong, making it harder to compete in export markets. In the furniture sector, companies such as IKEA have highlighted challenges caused by differing packaging standards between Australia and international markets. Flooring manufacturers also report inefficiencies due to variations in standards across states and territories.

Harmonisation of standards could improve competitiveness by allowing more overseas-designed products into the Australian market, while also reducing costs through economies of scale. Public welfare could also benefit, as Australians would gain quicker access to emerging technologies and more affordable medical devices.

Treasurer Jim Chalmers welcomed the report, stating that progress has been made, but further reforms are necessary to support both households and businesses.

The Productivity Commission also recommended expanding the existing mutual recognition scheme for occupational licences. Under this proposal, licensed workers would be able to move more freely across jurisdictions, helping address skill shortages and improving workforce flexibility.

These issues are expected to be discussed at an economic roundtable led by Dr Chalmers later in August. The roundtable will bring together economists, industry leaders, and policy experts to explore ways to lift national productivity, strengthen the economy, and improve living standards.

Other reform proposals, already under consideration from various groups, include adjusting the Goods and Services Tax (GST), reviewing property investor tax arrangements, and adopting new technologies such as artificial intelligence to enhance efficiency.