

National Competition Policy analysis 2025

Gas Energy Australia (GEA) represents Australia's liquid gas supply chains including Liquefied Petroleum Gas (LPG) and associated gases. Our members span production to retailing and everything in between. The LPG industry safely and securely supplies 43PJpa to industrial, commercial, residential, leisure and transport energy consumers nationally, including around 30% of regional households where electricity can be unreliable or unavailable¹.

GEA welcomes the opportunity to comment on the Australian Government Productivity Commission (PC) National Competition Policy analysis 2025. We respond with particular regard to considerations relating to the harmonisation of Australian Standards.

An effective standards framework is critical to the LPG industry – an industry which supplies energy to Australian industrial, commercial, residential, transport and recreational users. Through renewable forms of LPG, consumers will be able to maintain reliable, affordable energy while supporting emissions reduction targets.². This is why GEA advises caution while considering harmonisation of Australian Standards.

General Feedback

Harmonising Standards in Australia's Energy Sector

In response to Mr Chalmers' request for advice on adopting and harmonising international standards within Australia, Gas Energy Australia (GEA) emphasises that energy, particularly in the form of liquified and renewable gases, is a critical sector with wide-reaching impacts. GEA strongly supports carefully managed harmonisation processes that balance international alignment with Australian-specific conditions.

It is vital to recognise both the significant technical expertise contributed voluntarily by sector specialists to standards development, and the challenges posed by fragmented domestic regulations. The cost barriers created by paid access to standards also need to be addressed.

¹ DCCEE, 2024, *Australian Energy Update 2024*,

<https://www.energy.gov.au/publications/australian-energy-update-2024>

Australian Bureau of Statistics, 2014, *Environmental Issues: Energy Use and Conservation*,

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4602.0.55.001Main+Features1Mar%202014?OpenDocument>

² Frontier Economics, 2023, *Pathways to Zero Emissions for LPG*,

<https://www.gasenergyaus.au/get/2016/pathway-zero-emissions-for-lpg-frontier.pdf>

Addressing these issues is essential to support effective reform, enhance regulatory compliance, and improve national productivity in the energy gases sector.

Impacts of Standards Harmonisation on Local Manufacturers

While GEA generally supports the harmonisation of standards to streamline regulation and improve market efficiency, it is important to acknowledge the impacts on local manufacturing.

Harmonisation or changes to standards will affect equipment manufacturers (OEMs) in the sector to varying degrees. Even minor modifications to equipment design or material requirements can necessitate redesign, retooling, and retraining. This in turn imposes additional cost on businesses that may be passed on to consumers. In some cases, these changes could reduce commercial viability of appliance manufacturing, contributing to a reduction in local manufacturing and a rise in appliance imports.

Recommendations:

GEA recommends reform that the Productivity Commission:

Recognise systemic barriers to effective standards implementation, including:

- Existing domestic fragmentation of regulation and policy requires Australian national standardisation as a higher priority than international harmonisation.
- International standards adoption requires significant technical expertise and oversight to prevent implementation failure in Australian conditions.
- Expert standards development contributions from the relevant sector are essential to effective standard adoption or development
- Expert participation in technical committees through Standards Australia is contributed freely and unpaid.
- Paid access to standards creates cost barriers to commercial and private access, thereby inhibiting regulatory conformance and national productivity

Consider the cumulative impact on industry productivity, where the sheer volume of standards (thousands affecting individual sectors) combined with unpaid expertise investment and costly access creates significant barriers to national productivity and regulatory conformance.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or via jmccollum@gasenergyaus.au.

Yours sincerely,



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1. Are there examples of Commonwealth, state, territory or local government regulation where there should be greater harmonisation with international or overseas standards and related conformity assessments or approvals? What sectors should be prioritised for reform?

Energy is a fundamental priority sector affecting all Australians and industrial/commercial sectors. GEA focuses on energy provision via liquified and renewable gases (LPG, LNG, CNG, hydrogen). Significant domestic fragmentation across jurisdictions creates inefficiencies and barriers for national operators. GEA strongly recommends prioritising national standardisation and harmonisation in the energy gases sector to remove inconsistencies and enable smoother market functioning.

2. What is the impact of a lack of harmonisation (e.g., on compliance costs for export, import or multinational businesses, product range, prices, quality, competition, innovation and international trade and investment)?

Lack of harmonisation creates duplication and increased compliance costs as businesses must adhere to multiple domestic and international standards. Australian standards often require local adaptation for geographic, climate, and technological specifics, requiring considerable technical expertise. Charging for standards access creates financial barriers to compliance. Combined with regulatory fragmentation and numerous applicable standards, this significantly increases costs and complexity, ultimately reducing sector competitiveness and innovation.

3. What are the barriers to greater harmonisation?

Greater harmonisation requires high technical expertise and continuous oversight to ensure international standards suit Australian conditions. Key barriers include unpaid expert participation in standards development, which threatens sustainability of valuable input in the commercialised energy environment. Additionally, charging for standards access creates cost barriers that discourage compliance and limit productivity. Addressing these financial and structural issues is essential for harmonisation progress.

4. For sectors where regulators can mandate standards by incorporating international standards or accept overseas conformity assessments and approvals (e.g., road vehicles, therapeutic goods, agricultural products, maritime, industrial chemicals), how is this operating in practice?

Within the gas sector, Australian standards are heavily referenced by state regulations, creating strong regulatory dependencies. Changes in standards directly impact regulatory frameworks, requiring ongoing expert scrutiny to maintain relevance and fitness for purpose. GEA's sector experts actively contribute to Standards Australia development to maintain appropriate safety and quality benchmarks.

5. Are there any reforms that should be made to Australia's standards and conformance infrastructure to support greater harmonisation while still addressing specific Australian risks and objectives?

Reforms should prioritise tackling domestic fragmentation through national standardisation. Expert sector involvement, currently relying on unpaid contributions, needs sustainable support through compensation. Key reform would address cost barriers from commercial sale of standards, which impedes compliance and inhibits productivity. More accessible standards infrastructure will enable better harmonisation while managing Australian-specific risks.

6. What measures could support access to international standards incorporated in Australian regulation?

Measures could include reducing or subsidising standards costs, lowering financial barriers for industry and private stakeholders. Supporting paid expert participation in standards committees is critical to maintain quality and local relevance. These measures would facilitate better regulatory harmonisation and compliance.

7. Which sectors or policy areas need reform to further promote competition?

The gas sector needs reform due to its extensive economic impact across industries. Reforms reducing regulatory fragmentation, supporting sustained expert input, and improving public access to standards are important for fostering competition and productivity. These changes will strengthen domestic and international competitiveness.