

4 September 2025

National Competition Analysis 2025
Productivity Commission
Locked Bag 2 Collins St
East Melbourne VIC 8003

Submission on the *National Competition Policy Analysis 2025 Interim Report*

Introduction

Cement Concrete and Aggregates Australia (**CCAA**) welcomes the opportunity to make a submission on the Productivity Commission's *National Competition Policy Analysis 2025 Interim Report*.

CCAA is the voice of the heavy construction materials industry in Australia. CCAA members produce the majority of Australia's cement, concrete, and aggregates, which are crucial to Australia's building and construction sectors. These materials support the development of our nation's transport, energy, water, housing, defence, and social infrastructure. The industry generates approximately \$15 Billion in annual revenues and employs approximately 30,000 Australians directly and a further 80,000 indirectly.

The Heavy Construction Materials Industry is vital to the nation's building and construction industries and underpins the development of Australia's physical infrastructure. CCAA advocates for policies that foster a **"product pull" environment**—where demand for innovative, sustainable, and fit-for-purpose materials is driven by performance outcomes and market need, rather than prescriptive regulatory requirements.

Recommendations

CCAA makes the following recommendations in response to the *Productivity Commission's National Competition Policy Analysis 2025 Interim Report* (July 2025):

1. Standards Reform

- a) That the Productivity Commission endorse performance-based Australian Standards as the preferred approach when standards are incorporated in regulation, to allow innovation and efficient use of resources.
- b) That the Commission recommend the review and update of key Australian Standards such as AS 3972-2010 *General Purpose and Blended Cements* to enable greater uptake of supplementary cementitious materials (SCMs). This reform would directly support Australia's Net Zero goals while contributing to the \$1.9–\$3.8 billion GDP benefit identified by the Productivity Commission from harmonisation of standards¹.

2. Harmonising Regulated Standards Across Jurisdictions

- a) That the Commission recommend a national mapping exercise of jurisdictional regulations using different standards in the same policy areas, with the goal of establishing a consistent and nationally applicable framework.

¹ P2 [Interim report with appendices - National Competition Policy analysis 2025](#)

- b) That consistent with the Commission’s finding that only 26% of mandated standards are applied uniformly across jurisdictions², governments should actively pursue alignment in areas such as emissions targets, biodiversity frameworks, and workplace safety regulation, where inconsistencies currently impose unnecessary costs on firms operating across state borders.

3. Shift from Prescriptive to Performance-Based Specifications

- a) That the Commission encourage governments to work within the Standards Australia framework to progressively replace prescriptive standards with performance-based specifications, particularly in environmental and biodiversity regulation.

This shift would minimise unintended barriers to innovation and decarbonisation, reduce infrastructure costs, and ensure regulatory frameworks remain fit-for-purpose as governments pursue nature-positive outcomes.

4. Road User Charging Reform

- a) That the Commission reinforce its position in *Box 2* (pp. 17–18) of the Interim Report by recommending a national road funding model based on mass, distance and location (MDL).

Following the *Vanderstock* High Court decision³, only federal reform can provide a sustainable revenue stream. An MDL-based system would enhance the productivity and safety of Australia’s heavy vehicle fleet and workforce, while ensuring stable funding for road construction and maintenance.

Adoption of international standards

We note the policy areas discussed in the Analysis reflects closely the work being conducted by the Department of Finance and the Treasury as part of its review of the Competition Reform Guidelines and Best Practice Handbook⁴.

As CCAA indicated in its response to the National Competition Policy Lowering Barriers to the Adoption of International and Overseas Standards in Regulation Consultation Paper⁵, International Standards are frameworks describing the best ways of doing things and facilitating a common understanding of processes, procedures and methodologies.

Overseas standards may be technically sound, but they are developed in different legal, environmental, and policy contexts.

Standards Australia’s system relies on contributions from over 6,500 committee members and hundreds of nominating organisations, which includes CCAA and its members.

These experts ensure that standards are fit-for-purpose, reflect Australian conditions, and are aligned with regulatory as well as industry needs.

² P2 [Interim report with appendices - National Competition Policy analysis 2025](#)

³ <https://eresources.hcourt.gov.au/downloadPdf/2023/HCA/30>

⁴ [CCAA Submission on Reforms to Improve the Use and Recognition of Standards in Regulation 4 August 2025](#)

⁵ [CCAA Submission on Reforms to Improve the Use and Recognition of Standards in Regulation 4 August 2025](#)

Standards adopting best practices from other jurisdictions, such as the US and Europe, should be encouraged so the best ideas from around the world can be adopted in Australia.

Standards Australia is the national member body at both the International Standards Organisation (ISO) and the International Electrotechnical Commission (IEC).

As such, Standards Australia already has the option to participate or observe on international technical committees, sub-committees, project committees and systems committees, with Australian committees acting as 'mirror committees' to their international equivalents, such that Australian standards can reflect, as appropriate, work developed internationally.

We also note that, absent a legislative requirement, there is nothing which stops a company from adopting an international standard where, in its opinion, there is commercial benefit.

CCAA recognises international standards can be of value when developing Australian Standards.

However, we remain of the view that where standards are to be contained in regulation, performance based Australian Standards should be preferred. This approach would foster a **product pull environment** where businesses and clients seek out high-performing materials that meet outcomes-based requirements, rather than being pushed to comply with rigid inputs.

Australia's well established technical expertise should be relied upon to ensure that local standards are fit-for-purpose, reflect Australian conditions, and are aligned with regulatory and industry needs.

Harmonising regulated standards

As indicated in the joint CCAA/CIF initial submission to this Productivity Commission process⁶, Australia's heavy construction materials industry, including cement manufacturers and concrete producers, operate throughout Australia and across all jurisdictions. As such, harmonisation across all jurisdictions is an important concept that has the potential to improve productivity across several areas – including regulated standards.

For example, there is currently a disparity between national as well as state/territory approaches to emissions reduction and target setting – which leads to differing levels and types of legislation/ regulation depending on the level of ambition of the jurisdiction. This in turn has the potential to flow through to standards and specifications, which may not be as aligned as they could be.

There is also a notable lack of harmonisation in workplace safety frameworks, particularly with respect to workers compensation schemes. These schemes operate with different premiums, claim thresholds, and rehabilitation requirements in each jurisdiction.

For companies operating across state borders, these inconsistencies increase compliance burdens and administrative complexity and can lead to unequal outcomes for employees injured while undertaking the same type of work in different states.

⁶ [CCAA/CIF Submission to Productivity Commission Competition Policy Analysis 6 June 2025](#)

We therefore note the observation made on page 9 of the Analysis relating to inconsistencies of standards across states and territories and agrees with its thrust.

Governments should actively work to promote a consistent and integrated approach to industry, environment, climate and energy policy – and associated measures (including standards) – across all Australian jurisdictions.

Minimising the regulatory burden and working to improve the alignment of standards and specifications should be a key goal of all jurisdictions and that as far as practicable, State and Territory jurisdictions should adopt the same standards when procuring goods and services when developing infrastructure projects.

The Commission could recommend that a mapping exercise be undertaken which identifies jurisdictional regulations that use different standards when regulating the same policy area, with a view of then establishing a consensus as to which standard (if any) is the most appropriate to use.

Shift from prescriptive to performance-based specifications

As also indicated in the joint CCAA/CIF submission, the priority should be to encourage governments and commercial entities to work within the Standards Australia framework, to shift from prescriptive to performance-based specifications to enable innovation and maximise resource utilisation, particularly with regards to nature-related regulation.

Biodiversity protection, land use, offset requirements and vegetation clearing rules now vary widely across states and territories, creating complexity for nationally operating firms.

As governments ramp up efforts to meet their biodiversity and nature-positive goals, greater coordination is needed to ensure that regulatory frameworks remain coherent and do not inadvertently impede investment in development or decarbonisation.

Overly prescriptive specifications and restrictive material requirements are creating barriers to industry innovation and decarbonisation as well as contributing to the increasing cost of infrastructure.

The CCAA/CIF submission therefore suggested the Productivity Commission recommend to the Australian Government that it fund a review of relevant Australian Standards, so they have the flexibility to capture improvements in processes without compromising safety and so improving productivity outcomes.

One such Standard that should be reviewed as a matter of priority is AS 3972-2010 *General Purpose and Blended Cements*. In the context of moving towards performance-based specifications and away from prescription, the minimum amounts of Portland cement required by the standard should be reviewed to support increased flexibility in binder content and composition.

Allowing for the greater uptake of higher limestone additions and other supplementary cementitious materials (SCM's) such as Fly Ash and Blast Furnace Slag, would facilitate the adoption of new, lower carbon cement types.

Revising AS 3972-2010 to enable greater SCM uptake could contribute to the \$1.9–\$3.8bn GDP benefit identified by the PC from standards harmonisation, while also delivering significant decarbonisation benefits.

If implemented, the change would have the added advantage of saving in the order of 10 per cent of the embodied carbon in concrete⁷ and so support the Government and Industry's Net Zero objectives.

To that extent, CCAA is therefore pleased that our submission on this point was recognised (in part) in Box B.4 of page 51 of the Analysis and recommends the observation remains in the final report.

Road user charging reform

Finally, CCAA notes the needs for road user charging reform discussed in Box 2 of the Analysis, on page 17.

Improvement in the fuel economy of modern vehicles and the uptake of heavier zero emission vehicles will mean that the fuel excise that is used to help fund the construction and maintenance of Australian roads will be reduced. This will have significant implications for the productivity and safety of Australia's heavy vehicle fleet and workforce if not remedied.

The High Court decision in *Vanderstock v State of Victoria* on 18 October 2023 has exacerbated the situation⁸.

The case found that charging electric vehicles based on distance travelled was unconstitutional and the ability for jurisdictions to recover costs for the construction and maintenance of roads from electric vehicle operators - as happens in New Zealand – is now limited.⁹

Jurisdictions must now accept that the funding of public roads¹⁰ will now require federal reform and action.

As the Council of Federal Financial Relations said on 24 May 2024:

The Commonwealth, state and territory treasurers agree that a substantial decrease in state and territory revenue bases is not in the interests of the Australian federation.

The Commonwealth supports states and territories maintaining stable revenue bases for the delivery of essential community services and infrastructure, which benefit all Australians.

The Commonwealth Government is working with the states and territories to ensure they have secure own-source revenue bases and will continue to explore options, including legislative options, to protect state revenue sources.¹¹

It is imperative that to achieve a sustainable revenue stream that supports adequate investment in the Australian road network is likely to require a funding system based on a mass, distance and location (**MDL**) model.

⁷ [VDZ \(2021\) Decarbonisation Pathways for the Australian Cement and Concrete Sector](#)

⁸ <https://eresources.hcourt.gov.au/downloadPdf/2023/HCA/30>

⁹ <https://www.nzta.govt.nz/vehicles/road-user-charges/ruc-for-electric-vehicles/>

¹⁰ Cf. tollways

¹¹ <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/council-federal-financial-relations-statement>

Given the decision of *Vanderstock* this can only be efficiently achieved by legislation passed by the Australian Parliament.

The Productivity Commission should therefore recommend that Australian governments pursue options to efficiently and equitably recover road user charges to help fund the construction and maintenance of Australia's road network and so enhance the productivity and safety of Australia's heavy vehicle fleet and workforce.

Conclusion

Through consistent, performance-based standards, nationally aligned regulation, and modernised road funding, governments can foster a **product pull environment** that rewards innovation, reduces embodied carbon, and enhances productivity across the construction supply chain.

This approach will position Australia's heavy construction materials industry to meet Net Zero goals while continuing to underpin the nation's physical infrastructure.

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Yours sincerely

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