



Advocate for the Consumer, Cosmetic,
Hygiene and Specialty Products Industry

Our industry's commitment

Developing solutions for healthy living and a quality lifestyle



Annual Report 2006

ACCORD Members

Consumer, Cosmetic and Personal Care Products

Alberto Culver Australia
Amway of Australia
Apisant
Aroma Science
AVON Products
Baylor
Beiersdorf Australia
Chanel Australia
Clorox Australia
Colgate-Palmolive
Combe Incorporated (Australia)
Cosmax Prestige Brands Australia
Cosmopolitan Cosmetics
Coty Australia
Creative Brands
Dermalogica
Elizabeth Arden Australia
Estée Lauder Australia
Frostbland
GlaxoSmithKline Consumer Healthcare
Helios Health & Beauty
Innox
Johnson & Johnson Pacific
Kao (Australia) Marketing
Keune Australia
Kimberly Clark Australia
La Biosthetique Australia
La Prairie Group
L'Oreal Australia
LVMH Perfumes and Cosmetics
Nutrimetics Australia
Procter & Gamble Australia
PZ Cussons
Reckitt Benckiser
Revlon Australia
Scental Pacific
Shiseido (Australia)
Skin Doctors Cosmeceuticals
Steric
Thalgo Australia
The Heat Group
Tigi Australia
Trimex
Unilever Australasia

Hygiene and Specialty Products

Albright & Wilson (Aust)
Applied Australia
Auto Klene Solutions
Callington Haven
Campbell Brothers
Castle Chemicals
Castrol Australia
Chemetall (Australasia)
Chemform
Ciba Specialty Chemicals
Clariant (Australia)
Cleveland Chemical Co
Deb Australia
Dominant (Australia)
Ecolab
E Sime & Company Australia
Henkel Australia
Huntsman Corporation Australia
Jalco Group
Lab 6
Milestone Chemicals
Novozymes Australia
Nowra Chemical Manufacturers
Peerless JAL
Recochem
Rohm and Haas Australia
Selkirk Laboratories
Solvay Interox
Sonitron Australasia
Sopura Australia
Tasman Chemicals
Thor Specialties
True Blue Chemicals
Whiteley Corporation

Associate Members

ams Laboratories
Cintox
Competitive Advantage
Dermatest
EquipNet
Engel Hellyer & Partners
Insignia
Hydro Nova Controls
Middletons Lawyers
Robert Forbes & Associates
SCHÜTZ DSL Group
Silliker Microtech Laboratories
Star Track Express
Sue Akeroyd & Associates
Visypak Industrial Packaging

Life Members

W P Barry
Bruce Brown
Ken Clark
P Donovan
Geoff Harris
Frank Lawson
W C Monteith
D Phillips
B L Reidy
K Scampton



Products for healthy living and a quality lifestyle

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“Looking your best makes you feel better, function better and helps boost your confidence”

From “How to talk to your kids about the importance of appearance on the job”
Work Your Image® program
(USA) pamphlet

Our industry’s products play an important part in daily life

Healthy Living

Every morning our products are used in bathrooms, kitchens, bedrooms and laundries across the nation as individuals and families ready themselves for the day ahead.

And that’s just the start...

Industry products play a vital role in:

- Keeping our households, workplaces, schools and institutions clean, hygienic and comfortable
- Personal hygiene and cleanliness to help us feel our best
- Beauty treatments that allow us to express who we are
- Specialised uses that assist production and manufacturing to keep the wheels of commerce and industry turning
- Maintaining the hygienic and sanitary conditions essential for our food and hospitality industries and our hospitals, medical institutions and public places

These benefits are essential to safe, healthy living and maintaining the quality lifestyle and sense of wellbeing that Australians have come to expect.

Quality Products

Whether you’re brushing your teeth, doing the dishes, slapping on sunscreen, sanitising food handling areas or dabbing on your favourite perfume, you are using one of the many innovative and sustainable products manufactured by our industry.

With an estimated \$10 billion in annual retail sales, the consumer, cosmetic, hygiene and specialty products industry is a significant part of a prosperous Australian economy.

We are a dynamic and growing industry, employing Australians and - through our industrial and institutional market sector - supplying products essential for Australian businesses, manufacturing firms, government enterprises, public institutions and farmers.

Our industry has more than 50 manufacturing operations throughout Australia. ACCORD members have a commitment to quality, innovative products.

“Good health hygiene habits can greatly reduce the chance that you will pass the flu onto others. There are simple things you can do, like... washing your hands regularly.”

Australian Government Department of Health and Ageing, Fact Sheet for the Public on Influenza and Avian Influenza (or “Bird Flu”), March 2005

Promoting Wellness

Nourishing the body, invigorating the self

Feeling good about ourselves and our appearance boosts our personal confidence, improving the quality of our social relations and ultimately our emotional health.

From advanced skincare for healthy, glowing skin to treatments for radiant, silken hair, cosmetic and beauty products help promote individual wellbeing for women and, increasingly, for men as well.

The benefits of cosmetics and fragrances go far beyond superficial concepts of vanity. Transcending both cultures and historical periods, beauty products have often played an enriching role in many societies.

And in modern times beauty products have also become synonymous with self expression and personal pampering; especially as women have escaped the oppression and drudgery of the past to take their rightful place at the forefront of our society.

Afterall, who doesn't deserve some pampering to relieve the stresses and strains we all encounter in today's packed and fast paced lifestyles!

Preventing illness and safeguarding families, communities & industries

Unclean conditions and poor personal hygiene are recognised by health professionals as significant contributors to illness and disease within our community.

For example, poor handwashing habits help the spread of common infections like colds and flu. Flu alone costs the Australian economy more than \$600 million annually. And sadly an estimated 1,500 Australians die each year from flu-related health complications, almost the same number as the national road toll.

Routine handwashing with either regular or specialised antibacterial soaps is an essential step in efforts to halt infection, especially around vulnerable members of our community. This is why quality personal hygiene products are indispensable in nursing homes, childcare centres and hospitals.

Australia also experiences an estimated 5.4 million cases of foodborne illnesses each year at an estimated economic cost of \$1.2 billion per annum.

With poor personal hygiene combining with unclean premises and equipment as the culprits in an estimated 20-30 percent of food



poisonings, more can be done to prevent foodborne illness through better hygiene.

Industry hygiene products, including detergents and specialised sanitisers and disinfectants, play a vital role in safe food production and catering. These products help safeguard Australia's food industries – our nation's largest manufacturing sector.

Emerging health challenges, such as the threat of a bird flu pandemic, put the spotlight firmly on improving hygiene practices through more regular and thorough use of industry hygiene products.

And specialised industry products also play a variety of other safeguarding roles including infection control in hospitals and surgeries and the care and protection of business assets such as factories, aircraft fleets and buildings.



Our Community Our Commitment



Look Good...Feel Better.

A Cosmetic Industry Community Initiative Helping Cancer Patients

The consumer, cosmetic, hygiene and speciality products industry is committed to playing its part for the benefit of the Australian community.

Look Good...Feel Better is a cosmetic industry community service program established to help cancer patients.

The side effects of cancer treatment can be devastating – loss of hair, facial hair, and changes to skin pigmentation and texture. Since its Australian launch 17 years ago, Look Good...Feel Better has helped more than 50,000 Australians, mainly women, deal with the appearance-related side effects of chemotherapy and radiotherapy.

The program's objective is to help rebuild self-esteem and personal image and provide advice on minimising side effects through best use of skin care products, wigs and make up.

Look Good...Feel Better is supported by a dedicated network of over 1,200 volunteers from the beauty and hair care industry who run free two-hour workshops in more than 140 locations throughout all Australian states and territories. Each year more than 700 workshops are held nationally.

Through ACCORD and in partnership with major retailers and the beauty and lifestyle media, the cosmetic industry supports Look Good...Feel Better with fundraising activities, donated products, financial donations and volunteers.

Specific support for Look Good...Feel Better is provided by cosmetic companies:

- Annual donations of more than 90,000 cosmetic products, valued at in excess of \$2 million, for free use in the workshops plus in-kind support such as provision of staff volunteers.
- Fund raising and donations to cover the operating costs of Look Good...Feel Better, including the gala Dream Ball fundraising night which raises around \$300,000 each year.

Look Good...Feel Better has grown to become a valuable community asset of which our industry is justifiably proud.

(Look Good...Feel Better and the Sunburst Logo are service marks of the CTFA Foundation, USA. Use of these marks is by license.)

Helping women, men and teens face cancer with confidence: the Look Good... Feel Better® Program

The Industry Quality Commitment:

Doing the right thing for customers and the community

The Industry Quality Commitment was launched in November 2005 at ACCORD's National Conference.

As a clear statement of the customer-focused values of ACCORD members, the Industry Quality Commitment is aimed primarily at the industry's industrial and institutional product market.

The Industry Quality Commitment focuses on the following four key quality areas:

Public and Occupational Health & Safety

- Design products that are appropriate for their intended use
- Seek to minimise risks to employees, customers and the environment
- Adhere to high standards for the safe operation of facilities
- Share information and expertise to assist customers in using products safely and effectively in their operations

Environmental Values

- Meet the needs of customers and consumers in an environmentally responsible manner
- Strive to make products and packages compatible with the typical waste handling systems, encourage recycling where recycling exists, and support other forms of waste management

Compliance and Continuous Improvement

- Comply with prevailing legislation, regulatory requirements and product standards
- Support responsible self-regulation to complement existing laws through codes and policies established by our industry sector

Business Ethics/Commercial Practices

- Conduct business affairs with high ethical standards and engage in fair competition at all times

Underpinning industry's performance in implementing the Quality Commitment are four specific issue guidelines developed by ACCORD as self regulation tools.

ACCORD Industry Guidelines:

- **Guideline for Cleaners and Sanitisers that may have Incidental Contact with Food**
- **Code of Practice for Household & Commercial Cleaning Products Claiming Antibacterial Action**
- **Scheme for Phosphorus Content and Labelling of Laundry Detergents**
- **Interim Agreed Code for Safe Production of Enzymatic Detergents**



ACCORD Strategic Plan

Vision

The effective and pro-active national voice of the consumer, cosmetic, hygiene and specialty products industry: a growing industry generating innovative and sustainable products essential for healthy living and a quality lifestyle.

Mission

ACCORD Australasia's mission is to:

- Proudly lead and promote the value and contribution of our industry with consistency and integrity,
- Act to enhance and improve our industry's viability and its business operating environment, and;
- Promote the safe and effective use of industry products for healthy living and a quality lifestyle.

Goal 1: Member Services

An engaged and supportive membership with effective communication and networking mechanisms for the Secretariat, the Board, its Committees, State networks and within individual companies.

Goal 2: Regulation & Regulatory Reform

A business operating environment that has minimum effective regulation, reducing the compliance burden on industry.

Goal 3: Public Affairs

A positive profile and image for the industry with key influencers and a high level of consumer confidence in industry products.

Goal 4: Commercial Affairs

A viable, strong industry committed to quality and supporting fair competition and ethical business practices.

2006 Achievements

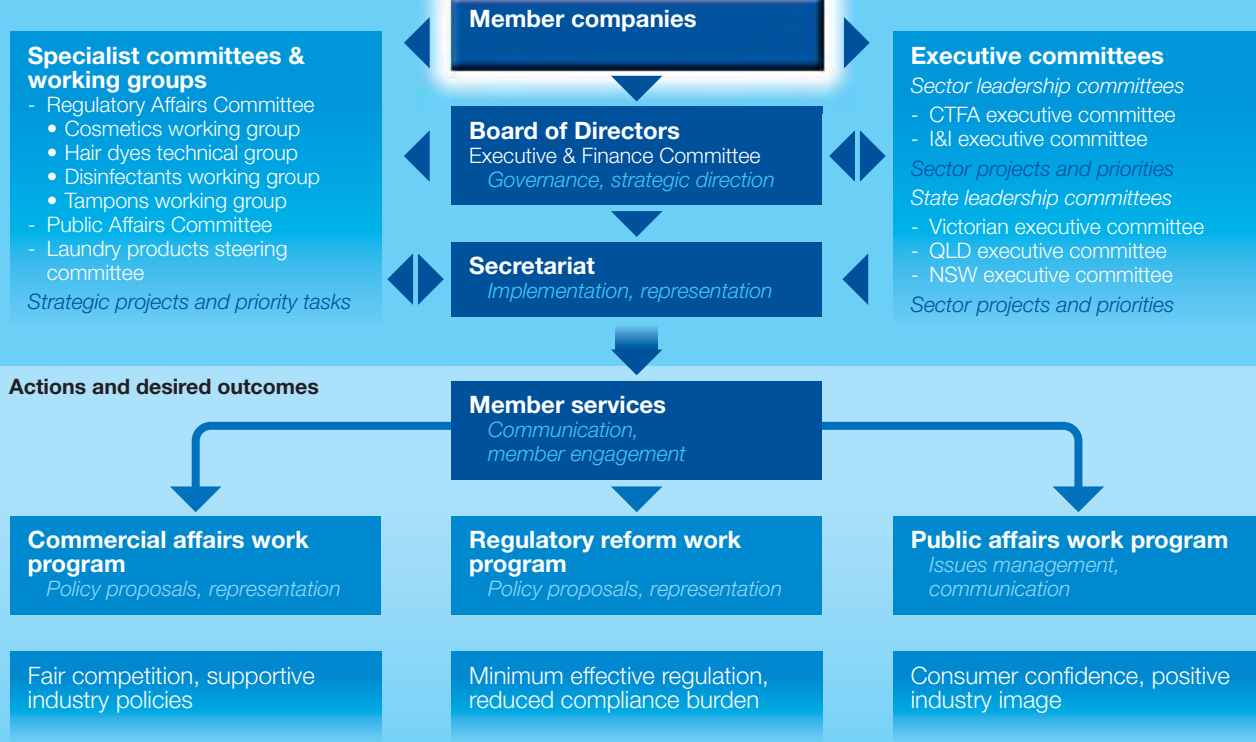
Membership and the association:

- Exceptional annual membership growth, from 1 January, of 25 percent, with ACCORD Australasia becoming the united voice of the Australian cosmetic industry (following the winding up the CTFA of Australia in November 2005).
- During 2006 ACCORD welcomed the following new members: Alberto Culver, Apisant, Aroma Science, Baylor, Chanel, Chemform, Combe Incorporated, Cosmax Prestige Brands, Cosmopolitan Cosmetics, Coty Australia, Elizabeth Arden, Estee Lauder, Keune Australia, Kimberly Clark Australia, La Prairie Group, Nutrimetics Australia, Shiseido Australia, Skin Doctors Cosmeceuticals, Revlon Australia, Thalgo Australia, Tigi Australia, Trimex.
- Also welcomed were the following new associate members: EquipNet Inc, Insignia, Star Track Express.
- Establishment of the CTFA Executive Committee (which met four times during 2006) and the I&I Executive Committee (which held its inaugural meeting in November 2006).
- Completion of an in-depth Member Satisfaction and Future Directions survey.
- Office move to new premises in the Fusion Building, Mountain Street, Ultimo.
- Well attended industry events including:
 - ACCORD Extraordinary General Meeting & Industry Seminar on 3 March 2006 at Star City, Sydney (featuring a CEO B/fast briefing by Bunnings Managing Director John Gillam and a speech by Parliamentary Secretary for Health, the Hon Christopher Pyne MP)
 - Joint ACCORD/NICNAS cosmetic regulation workshops in Sydney (28 April) and Melbourne (5 May)
 - ACCORD Annual Golf Day, Latrobe, Melbourne (18 May)
 - ACCORD AGM and network lunch on 29 May at the Windsor Hotel, Melbourne
 - Look Good...Feel Better Dream Ball on 15 September at Luna Park, Sydney
 - ACCORD farewell dinner for retiring NICNAS Director, Dr Margaret Hartley on 24 August at the Sir Stamford Hotel, Sydney
 - ACCORD/Colipa Industry Networking Dinner (featuring toast of thanks to John Woods, former Executive Director of the former CTFA of Australia) on 26 September, Sydney
 - International Cosmetic Issues and Trends Seminar on 27 September, Sydney (featuring presenters from Colipa [Europe], CTFA USA, Japan Cosmetic Industry Association, CTFA South Africa and ISO [Geneva])
 - ACCORD/ERMA Sydney and Melbourne Workshops on New Zealand Regulation and Group Standards, October
 - Sydney end-of-year function and industry seminar on 10 November at the Sir Stamford Hotel
 - Melbourne end-of-year function on 24 November at the Windsor Hotel.



- Successful delivery of ACCORD's first Look Good... Feel Better Dream Ball.
- Incorporation of administration for the Cancer Patients Foundation (the charity that funds the Look Good...Feel Better program) and accounting admin support for the Fragrance Foundation of Australia into ACCORD's activities.

Governance, strategy & goal setting



2006 Achievements

Regulation and regulatory reform:

- NICNAS Cosmetic Reforms: Successful introduction in May of the interim arrangements to implement the new NICNAS cosmetic regulation reforms to simplify regulation for six categories of personal products (anti-acne skin products, antibacterial skin products, antidandruff products, antiperspirants, moisturisers containing secondary sunscreen up to SPF15 and sunscreens less than SPF4).
- Significant developments in national regulation reform, with the following highlights for our industry:
 - Publication in January of the landmark Banks Report 'Rethinking Regulation', with specific endorsement of many of ACCORD's recommendations to simplify regulation to industry products
 - New reform push via Australian Government's positive response to the Banks Report, again endorsing many of ACCORD's positions
 - Decision by the Council of Australian Governments (COAG) in February to establish a high-level Ministerial Taskforce to act on regulation for chemicals and plastics
 - Announcement by the Federal Treasurer of a detailed Productivity Commission study of chemicals and plastics regulation.

- Security Sensitive Chemicals: Joint representation by ACCORD and other associations to the Prime Minister on inadequate consultation, leading to effective industry engagement through ACCORD's involvement on a Dept of Prime Minister & Cabinet convened Industry Consultation Group.
- Dangerous Goods: Lobbying for the retention of 'limited quantities' provisions within the requirements of Australian Dangerous Goods Code No. 7 and action to transfer cosmetic product exemption to ACCORD members.
- International Harmonisation, including progress on:
 - GHS implementation for cleaning products, with the signing of an international industry association position on GHS principles in Oct 2006; continued collaboration with Japan SDA with GHS presentation on 24 Aug 2006; and continuing collaboration throughout 2006 with sister industry associations from Europe, Canada and the US
 - Sunscreen test method harmonisation, via ACCORD, Colipa, NICNAS and the TGA co-hosting an International Symposium on Photoprotection Test Methodologies Sydney during 24-26 September 2006
 - Tampon test methods, with ongoing lobbying for mutual recognition of existing international methods in Australia.

- TGACC: ACCORD granted participation in the Therapeutic Goods Advertising Code Council.
- National uniformity for trade measurement law: Progress with new model to eliminate inconsistency of requirements and enforcement between states and territories via a National Trade Measurement Review.
- Safety Data Sheets: Development of new booklet for safety data sheets for hair products used in workplaces such as hairdressing salons.
- APVMA: Development of new governance arrangements for this agency as an outcome of sustained ACCORD lobbying in 2005 opposing agency fee increases of 33 percent plus ongoing work on dairy sanitiser reforms.
- Ongoing contribution to key regulatory policy committees, including: NDPSC, NICNAS IGCC, NICNAS ECRSC, APVMA ILC, the Advisory Committee for the Transport of Dangerous Goods (ACTDG), and various Australian Standards Committees.
- Ongoing liaison with senior regulatory personnel and political stakeholders, including the parliamentary secretaries responsible for the TGA, NICNAS, FSANZ, Office of Chemical Safety and APVMA.

“2006 marks a year of great growth and change for our organisation”

Peter Keech, ACCORD Chairman

Public and environmental affairs

- Active issues management and media liaison on a number of unfounded health/environment scares and activist campaigns concerning industry products, including; nanotechnology, allergy, animal testing for safety and trace elements.
- Ongoing campaigning in support of the industry's 'WashRight' proposal for laundry detergents and sodium content, rather than mandatory options previously under consideration by the Environment Protection & Heritage Council.
- Improved liaison with the National Packaging Covenant administration.

Commercial affairs:

- Commissioning expert policy consultancy Insight Economics to complete a detailed scoping study on the 'grey goods' market in cosmetics and fragrances, including both counterfeit goods and parallel imports.
- Concerted and partially successful lobbying on behalf of manufacturing members to oppose the Fuel Tax Bill 2006 provisions that removed longstanding exemptions from fuel tax for hydrocarbon solvent ingredients used in industry product formulations.
- Conduct of the twice-yearly Halldata wholesale sales survey for cosmetics and fragrances.
- Input into the Australian Government's Industry Roundtable meeting to inform government industry policy development.

Submissions and representation during 2006:

Australian Government

- Negative impact of Fuel Tax Bill, letter to Finance Minister Dutton, Feb 2006
- ACCORD's 'WashRight' Proposal, letter to Water Minister Turnbull, Mar 2006
- Letter to Prime Minister Howard welcoming the COAG Ministerial Taskforce on chemicals regulation and the proposed PC Study, Mar 2006
- Concerns about TGA regulation of excipients, letter to Parliamentary Secretary Pyne, July 2006
- Lack of industry consultation on security policy development relating to chemicals, joint association letter to Prime Minister Howard, Sep 2006
- Request for industry input into Terms of Reference for Productivity Commission Study, letter to Treasurer Costello, Nov 2006.

Australian Competition and Consumer Commission

- Request for changes to Trade Practices (Consumer Products Information Standards) (Cosmetics) Regulations, May 2006.

Australia New Zealand Therapeutic Products Authority

- Response to consultation on the proposed joint regulatory scheme for the Australia New Zealand Therapeutic Products Authority, Aug 2006
- JAEG advertising of Australian only therapeutic products, ACCORD letter, Aug 2006
- Submission on Microbial Standards for Medicines in Australia New Zealand Therapeutic Products Authority, Sep 2006
- Submission on Product Vigilance in Australia New Zealand Therapeutic Products Authority, Dec 2006
- Submission on proposed medicines scheduling provisions of the draft Australian New Zealand Therapeutic Products Regulatory Scheme, Dec 2006.

Australian Pesticides and Veterinary Medicines Authority (APVMA)

- Participation in a range of working parties and reform processes conducted throughout 2006 including s.161 Working Group, Label Approval Working Group, Label Code Working Group, Adjuvant Working Group, Compliance Reform Working Group
- Input to Australian Audit Office Review of APVMA, Jan 2006.

Australian Senate

- Submission to Senate Economics Committee opposing removal of exemptions from fuel tax for non-fuel uses of hydrocarbon solvents, Jun 2006
- Testimony to Senate Economics Committee on fuel tax issue, Jun 2006.

Department of Agriculture Fisheries and Forestry (Australian Government)

- Key presentation on the GHS to the PSIC GHS Stakeholder Working Group, Sep 2006
- Continuing dialogue with the Department on GHS implementation and reforms proposed by the Australian Safety and Compensation Council, Sep-Dec 2006
- Submission on the Scope of Products in the National Registration Scheme and Regulated by the APVMA, Nov 2006.

Department of Environment and Conservation (NSW)

- Concerns about lack of consultation on NChem proposals, letter to Director General, Jul 2006.

Department of Environment and Heritage (Australian Government)

- Submission on review of the National Environment Protection and Heritage Act 1994, Aug 2006.

Department of Sustainability and Environment (Victoria)

- Application for Sustainability Fund grant to part-fund 'WashRight' website, Mar 2006.



2006 Achievements

Submissions and representation during 2006: (continued)

Department of Industry, Resources and Tourism (Australian Government)

- Participation in Ministerial Roundtable for Industry Statement, Aug 2006

Environment Protection Authority (Victoria)

- Submission on Draft Classification of Rigid Packaging, Mar 2006

Environment Protection and Heritage Council (EPHC)

- Submission on NChem, 'A National Framework for Chemicals Environmental Management in Australia', Oct 2006

European Commission

- Submission on the European Commission Internet Consultation on the GHS, Oct 2006

Ministerial Council of Consumer Affairs (MCCA)

- Submission on Regulatory Impact Statement (RIS) for the introduction of the Average Quantity System (AQS) for pre-packed articles, Jun 2006
- Submission on Review of the National Trade Measurement System, Jul 2006

National Industrial Chemicals Notification & Assessment Scheme (NICNAS)

- Concerns about implementation of cosmetic regulation interim arrangements, letter to NICNAS Director, Jan 2006
- Additional concerns with interim arrangement implementation, letter to NICNAS Director, Mar 2006
- Submission on the NICNAS Existing Chemicals Review, Jul 2006
- Request for extension of interim arrangements, letter to NICNAS Acting Director, Oct 2006
- Major ACCORD Paper "Nanotechnology and personal care & cosmetic products: An overview of current applications to assist NICNAS assess the scope and scale of the nanomaterials in products on the Australian market", Dec 2006

National Drugs & Poisons Schedule Committee (NDPSC)

- Submissions on Pre-meeting gazette notices for Feb, June, Oct NDPSC meetings
- Post June meeting submission on retail storage conditions
- Participation on NDPSC GHS Working Group leading to development of Australian informal paper submitted to the United Nations Subcommittee of Experts on the GHS in Dec 2006

National Environment Protection Council (NEPC)

- Submission on Draft Variation to the National Pollutant Inventory stating opposition to proposed inclusion of transfers, Sep 2006

National Transport Commission (NTC)

- Request for transfer of CTFA Exemptions to ACCORD, Jul 2006
- Submission on ADG7, Sep 2006
- Submission and presentation to NTC Jurisdictions Meeting on "inner package labelling" and "limited quantities", Dec 2006

National Water Commission (NWC)

- Application for grant to part-fund 'WashRight' website under the Raising National Water Standards Program, Sep 2006

NSW Independent Pricing & Regulatory Tribunal (IPART)

- Submission on reducing the regulatory burden for business in NSW, Mar 2006
- Submission on IPART draft report on reducing the regulatory burden, Aug 2006

New Zealand Advertising Standards Complaints Board

- Concern regarding interpretation of 'alcohol free' claim in cosmetics, ACCORD letter, Jan 2006

New Zealand Environmental Risk Management Authority (ERMA)

- Various submissions on draft Group Standards
- Significant drafting input to ERMA Cosmetics Group Standard
- Presentation at ERMA Public Hearing on Cosmetics and Domestic Products Group Standards

Prime Minister's Community-Business Partnership Program

- Submission in support of Award consideration for the Look Good... Feel Better program, May 2006

Productivity Commission (PC)

- Submission on PC Issues Paper on Standards and Accreditation, May 2006
- Submission on PC Draft Research Report on Standard Setting and Laboratory Accreditation, Sep 2006

Queensland Dept of State Development, Trade & Innovation

- Submission on reducing the regulatory burden for business in Queensland, Mar 2006

Therapeutic Goods Administration (TGA)

- Concerns about proposed new TGA regulation for excipients, letter to TGA National Manager, Mar 2006
- Concerns about TGA approach to compliance issues, letter to TGA National Manager, Apr 2006
- Request for observer status for ACCORD on the TGACC, Apr 2006
- Consultation on Draft Management Directors Order for Child Resistant Packaging (CPR) Requirements of Therapeutic Products, May 2006
- Therapeutic Goods Committee Submission on harmonisation on tampon test methods, Jun 2006

Directors

ACCORD Australasia Board of Directors

Chairman



Peter Keech
Managing Director
Tasman Chemicals

Vice – Chairmen



John Leith
Managing Director
Albright & Wilson (Aust)



Clynton Bartholomeusz
Managing Director
Beiersdorf Australia

Finance Director



Chris Short
Managing Director
Dominant (Australia)



Derek Stott
Managing Director
Applied Australia



Ed Dwyer
Director
Auto Klene Solutions



Phill Keefe
President & Managing
Director, Avon Products



David Brown
Group General Manager,
Chemical Division
Campbell Brothers



Bruce Wilson
Managing Director
Creative Brands
Resigned Nov 2006



Andrea Lagioia
Vice Chairman, South Pacific Region,
Exec. Chairman & Managing Director
Colgate Palmolive



John Rowley
VP Managing Director
Australasia
Ecolab



Steve Marangos
Business Manager
Huntsman Corporation
Australia



Max Johnston
President
Johnson & Johnson
Pacific



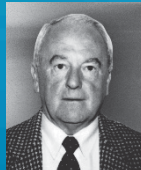
Chris Mejean
Director Corporate
Affairs
L'Oreal Australia



Nimalan Rutnam
Corporate Counsel & Director
(Aust & NZ)
Procter & Gamble Australia



David Boxall
General Manager
Recochem



Carl Dunstan
Managing Director
Selkirk Laboratories
Resigned Nov 2006



Gillian Franklin
Managing Director
The Heat Group



Michel-Henri Carriol
Managing Director
Trimex



Gordon Reidy
Director, R&D Category
Development, Pest Control
Reckitt Benckiser



Stuart MacDougall
Managing Director
True Blue Chemicals



Jennifer Moss
Group Development
Director
Unilever Australasia



Bronwyn Capanna
Executive Director
ACCORD

Secretariat



Bronwyn Capanna
Executive Director



Geoff MacAlpine
Director, Science
and Policy



Craig Brock
Director, Industry
and Strategy



Dusanka Sabic
Regulatory Reform
Strategist



Eryl Mifsud
Membership Services
& Administration
Officer

Growth, unity and the strength to do more for members

Message from the Chairman

Amongst many highlights for ACCORD during 2006, the continued growth of the association stands out. By the end of 2006 membership stood at 93 companies, eighteen more than at the end of the previous year.

This equates to an annual increase of 25 percent, delivering an impressive boost that further strengthens ACCORD's influence.

But even more pleasing has been the relatively seamless integration of members of the former CTFA of Australia into ACCORD following the winding up of that association in November 2005.

ACCORD is now well and truly the united voice of the Australasian formulated products sector, covering the full spectrum of products from luxury fragrances and cosmetics to industrial cleaners and manufacturing specialties.

Our hardworking secretariat can take some of the credit for this achievement. Though perhaps even more critical to achieving this strong position has been the extremely positive way in which all members, both old and new, embraced these changes during the course of 2006.



“Maintaining focus on making the biggest inroads on the key issues impacting the majority of ACCORD members”

Peter Keech, ACCORD Chairman

Strengthening our position

There is a real sense of excitement and camaraderie within the association. And nowhere more so than within ACCORD's current board of directors. Reflecting the membership boost from the cosmetic and fragrance sector, the board also grew in 2006 and has become, at least in my memory, the most inclusive and forward thinking of recent times.

Despite this bringing together of diverse product interests, my fellow directors have demonstrated a strengthened commitment to ensure ACCORD continues to deliver results for the overwhelming majority of its members.

Building from this unity of purpose, the association's challenge for the next few years will be maintaining focus on making the biggest inroads on the key issues impacting the majority of ACCORD members, while at the same time delivering specific results needed for individual product sectors.

2006 saw the introduction of two new initiatives that will assist ACCORD to achieve this and which I urge all members to support wholeheartedly.

The first was the establishment of our key sector executive forums – the CTFA Executive Committee and I&I Executive Committee. These senior management think tanks help to guide ACCORD's secretariat with actions specifically related to priority issues for the consumer/cosmetics and industrial/institutional sectors.

The second was a major member satisfaction survey; the association's first in more than five years, which we commenced in late 2006. This survey endorsed ACCORD's general strategic direction, with generally high levels of satisfaction expressed overall, especially for our regulatory reform program.

Both the board and the secretariat would like the guidance of more regular and formal feedback from members and to achieve this we now plan to conduct a member survey every year.

In conclusion, some important final words of thanks and appreciation. Many thanks to my fellow board directors for their continued sound governance of the association and positive contributions throughout 2006. I must also take this opportunity to applaud the work of the secretariat and the tirelessly professional efforts of Bronwyn, Geoff, Craig, Dusanka and Erly.

And finally, to all our members, thank you for your ongoing support. I look forward to working with you in meeting the challenges that our industry will encounter in 2007.



Peter Keech
ACCORD Chairman



Time for meaningful regulatory reform

Executive Director's Letter

Will 2006 be remembered as one of the busiest in recent memory for ACCORD? Ask me and I will tell you that, without doubt, it will.

During the course of the year, new challenges abounded.

The very welcome but extremely rapid increase in membership - a 40 percent increase from early November 2005 to the end of 2006 - strengthened our association's position but also greatly increased workload on all fronts.



And we encountered some fairly steep learning curves on a range of new projects and issues. Stand outs among these include:

- successfully delivering our first Look Good...Feel Better Dream Ball,
- gaining useful inroads for a practical and logical approach, both locally and internationally, to the application of the GHS scheme to cleaning products,
- completing expert, commissioned research on the complex issue of the 'grey market' in fragrances and cosmetics; and,
- responding to a host of new environmental and policy issues, including the proposed National Environmental Management Framework for Chemicals (NChem) and the emerging field of nanotechnology.

“ACCORD members will be well aware of the need to remove the shackles imposed on Australian businesses as a result of complex, nationally inconsistent and poorly designed regulation.”

Bronwyn Capanna, Executive Director

Regaining momentum

In terms of ACCORD's primary goal of gaining government commitment for measures that will lead to a major reduction in the regulatory complexity that is holding back our industry, the year started superbly.

With the influential Banks' Report "Rethinking Regulation" setting the scene and endorsing much of ACCORD's agenda, we witnessed a number of key announcements.

In February the Council of Australian Governments (COAG) announced the formation of a high-level ministerial taskforce to look at all chemicals sector regulation.

This was followed in May by the Australian Government announcing a detailed Productivity Commission study of regulation impacting our sector – an essential step to building a sound platform for future reform and something the industry has been seeking for a number of years.

In negotiation with our key regulator, NICNAS, we also took huge strides with the early implementation of the cosmetic regulation reforms, via new interim administrative arrangements pending full legislative change.

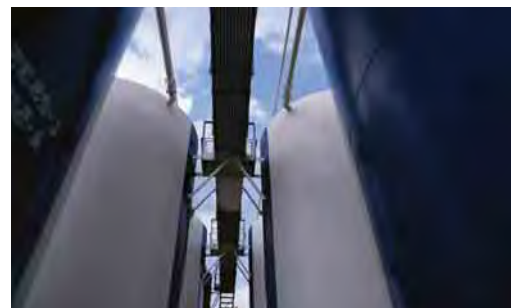
These early achievements for 2006 created a definite sense of optimism. However, I have to sound a warning bell.

Despite this initial flurry by governments to reinvigorate the regulatory reform agenda, the year ended with very little in the way of real progress towards tangible legislative change.

And even more concerning, during the last half of 2006 a large slice of ACCORD's effort had to be diverted from progressing these reform initiatives. Instead we were forced to turn our focus to proposals for increased regulation, including; extension of the National Pollutant Inventory to include on-site transfers, new NChem regulatory models and new proposals for controls on individual chemicals of security concern.

ACCORD members will be well aware of the need to remove the shackles imposed on Australian businesses as a result of complex, nationally inconsistent and poorly designed regulation.

What is clear, however, is that true costs of poor regulation appear to have become hidden from view over recent years by the continued outstanding performance of the Australian economy.



ACCORD's challenge in 2007, will be to regain momentum for regulatory simplification. In doing so, we also will have to demonstrate that we are a responsible and forward thinking industry, with a commitment to sustainability and the community we operate in.

Fortunately, given both the benefits of industry products for community health and wellbeing and ACCORD supported programs such as the Look Good...Feel Better program, we will be starting from a good position.

The ACCORD secretariat looks forward to working with all members to deliver the improved business operating environment needed for our industry's future success.

Bronwyn Capanna
Executive Director

Thank you

Always critical to our success are the great commitment and effort shown by all of our members and service partners. Of these the following deserve special mention.

The executive members of our board of directors, in particular, dedicate valuable time away from managing their businesses to assist with the sound running of ACCORD.

The thanks of all members go to **Peter Keech** (Tasman Chemicals and ACCORD Chairman), **Chris Short** (Dominant Australia and Finance Director), **Clynton Bartholomeusz** (Beiersdorf, Vice Chair and CTFA Executive Committee Chair) and **John Leith** (Albright & Wilson and Vice Chair). Also thanks to **John Rowley** (Ecolab) for chairing the I&I Executive Committee.

ACCORD is again indebted to the following for their dedicated contributions during 2006:

- **Chris Mejean** (L'Oreal) for his active participation in ACCORD through official roles additional to his responsibilities as board director, including: director-in-charge of the Regulatory Affairs Committee and chair of the Victorian Executive Committee.
- **Uri Ferster** (Frostbland) for outstanding commitment to the industry's cancer charity Look Good...Feel Better as ACCORD's convener of the Dream Ball.

- **Alan Bailes** (Ecolab) who chairs the Regulatory Affairs Committee.
- Board director **Nimalan Rutnam** (Procter & Gamble) who chairs the Public Affairs Committee.
- For specific expert or technical assistance: **Kathy Nolan** (Reckitt Benckiser) who also represented ACCORD on the APVMA Industry Liaison Committee, **Greg Whiteley** (Whiteley Corporation), **Ian Gamble** (Amway), **Graeme Haley** (Engel Hellyer & Partners), **Joyce Tsang** (Johnson & Johnson), **Megan Ryan** (L'Oreal), **Ken Lee** (Beiersdorf), **Julie Newlands** (Unilever), **Boris Cvetko** (Reckitt Benckiser), **Sam Haas** (L'Oreal), and **Robert Forbes** and **Nicolas Mercieca** (Robert Forbes & Associates).
- **Bernard Evans** and **Jim Lennon** (Middletons Lawyers) for contributing their legal expertise.
- And finally, **David Blakeley** (Chanel) for his contribution to ensuring the success of the Look Good...Feel Better program as chair of the Cancer Patients Foundation.

Farewell

We also said goodbye and best wishes to a number of industry colleagues during 2006.

To our retiring board directors **Carl Dunstan** (Selkirk Laboratories) and **Bruce Wilson** (Creative Brands) many thanks for your industry leadership and best wishes for the future.

Sadly, 2006 also saw the passing away of one of our valued life members, Bruce Russell. Bruce was a former managing director of Albright & Wilson and played a major part in the establishment of ACCORD's predecessor organisation, ACSMA.

Look Good... Feel Better Dream Ball



Industry's night of fundraising to help Australia's cancer patients

The Look Good...Feel Better Dream Ball is staged annually to raise much-needed funds for the running of the cosmetic industry's cancer patient support service.

Now entering its 17th year, this spectacular and glamorous event receives generous support from the entire Australian beauty and lifestyle industry, including all major retailers and magazine publishing houses.

Our 2006 Dream Ball at Sydney's Luna Park on 15 September attracted 750 people and raised just under \$300,000 for the Look Good...Feel Better program.

Through this fundraising support, Look Good...Feel Better continues to deliver more than 700 free two-hour workshops across 147 national locations covering all states and territories.

To quote a recent workshop participant: "There really are rainbows in stormy skies, and that is exactly how I feel about your workshops."

"There really are rainbows in stormy skies, and that is exactly how I feel about your workshops."

Quote from a recent workshop participant.



Fight Cancer: Kiss & Make-up.

2006 saw the launch of the new "Lips" logo campaign to promote Look Good... Feel Better. ACCORD gratefully acknowledges the generous support of DDB Australia for donating its services to develop this advertising concept.

Photography courtesy of Aztech Events. The glamorous Nartasha Belling was our 2006 Dream Ball MC.



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