

# Message from the Executive Director

## Challenging times call for the right culture from within both business and government – embracing policy collaboration not confrontation will be the best tonic for advancing the national interest

The one step forward, two steps backwards tempo of our times has undeniably placed a strain on the normal optimism generally shared across the innovative and forward-looking Australian hygiene, personal care and specialty products industry that Accord represents.

Nearing three years into the Covid-19 pandemic, ongoing disruptions to vital supply chains, commerce and daily life, continue to constrain our Member companies' progress and responsiveness.

And added to this, 2022 has seen a previously inauspicious geopolitical and economic environment erupt regrettably into outright warfare in Ukraine along with rampant inflation and economic stagnation globally. Plus, various environmental challenges, ranging from climate change to marine plastic pollution, continue to loom large.

Clearly these are challenging times. Equally clear is the fact that a business-as-usual approach to such problems is not going to cut it. Nor would any further spiral in national affairs to political populism over sound, evidence-based policy.

It is therefore timely that a new Australian Government with a different cultural outlook and focus was elected in May this year. Two positions embraced in the early days of the new Albanese Labor Government warrant acknowledgment, especially as they align with long-held approaches of Accord and our industry.

The first being a reinvigorated global engagement, as befits Australia's status as a trading nation and an advocate for peace, stability, and prosperity. The ready two-way transfer of science and technological know-how between Australia and other knowledge capitals of the world remains an essential lifeblood for industries like ours.

Australian businesses and manufacturers in our sector require access to the latest ingredients and formulation technologies available globally so they can stay competitive and build their own innovative products and brands. Accord has been busy fostering such global industry dialogue over the last decade, and it is therefore pleasing to see the new government actively step up its international engagement.

For the last two years Accord has acted as chair and convener for the International Association Collaboration (IAC) that is working to advance the global personal care products industry. And additionally, we continue to play a prominent role in the International Network of Cleaning Products Associations (INCPA) and the APEC Chemical Dialogue.

Networks such as these not only help address essential environmental challenges like climate change and marine plastic pollution, but also fit the fact that our industry in Australia is a healthy fusion of local manufacturers, importers and exporters, and small and large companies. All of whom rely

on being tapped into the latest technological advances, both here and abroad, as well as having certainty and reliability in supply of essential raw materials and other product inputs.

The second position articulated by the Albanese Government is equally important as it reflects commitment to a cultural stance I believe vital for these challenging times. That is, less political conflict for its own sake, and instead, pursuit of consensus based on respectful dialogue informed by evidence-based policy. As PM Albanese stated just prior to the election: *"...it's amazing what you can accomplish if you don't care who gets the credit. In politics, when people put aside their own interests and work together to achieve shared aspirations, they can achieve great outcomes"*.

These are the hallmarks of good culture, the type of culture that the ethical mainstream of the business community, as represented by Accord's Member companies, embraces. Maintaining an apolitical perspective while engaging and working with government and other stakeholder groups for improved outcomes is always our goal. Four relatively recent examples for Accord highlight how working with others in an evidence-based way is the key to policy success:

- Working with the nation's environment regulators, in dialogue with environment NGOs, we successfully delivered the voluntary phase-out of solid plastic microbeads in rinse-off products via our *BeadRecede* campaign.



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- The *Voluntary Industry Code to Support the Australian Ban on Testing Cosmetics on Animals* was launched in mid-2021, with the active endorsement of leading animal welfare groups like RSPCA Australia.
- Collaborative, science-based work between the wipes industry, represented by Accord and AFGC, and the water utilities sector, led by the Water Services Association of Australia (WSAA), to publish a world-first, consensus flushable products standard (AS/NZS 5328) in May 2022.
- The soon to be launched FitForFood initiative is another science-based project, developed in conjunction with experts, and designed to assist our Members' B2B customers and food auditors.

Moving away from adversarial thinking to instead look proactively for opportunities to collaborate and build consensus must be the cultural recipe for these challenging times. And embracing such culture is something sorely needed at times within Australia's various regulatory regimes for industry products. Too often Accord Member businesses tell us that they struggle with inflexible and bureaucratic red tape and costly regulatory burdens. And that they sometimes encounter attitudes that could only be described as mirroring the bureaucratic culture of a Kafka novel – weighed down with pointless and relentless arbitrary requirements. This is unacceptable in these times.

You cannot encourage innovation and growth by smothering businesses with unnecessary red tape, hefty compliance costs, and overly complex and confusing rules. Better balanced regulation can only come about with better regulatory culture, one that starts by trying to appreciate more fully the practicalities that prevail within the regulated industry.

With urgent reform attention needed to address ongoing productivity declines and our weakening economy in these challenging times, it is essential that all regulation be fit for purpose, appropriately risk proportionate, and better internationally aligned. Cultural change within our regulators to reflect the new government's approach for more effective collaboration with industry and our global posture, so we can jointly identify necessary improvements, is something for which Accord strongly advocates.

Just how well the good intentions expressed so far by the Albanese Government translate into effective future action will depend on the quality of policies taken forward. A willingness to listen to the best possible evidence-based advice, including from industry, will be invaluable to this task.

Similarly, collaboration will be needed as we all endeavour to push through the lingering constraints of the pandemic and seek to resolve critical challenges ranging from ongoing disruption to supply chains, skills shortages, inflation and unprecedented global threats, such as ongoing geopolitical tensions and climate change.

Accord continues to proudly represent an innovative, science-based and progressive industry with a solid track record of working with other stakeholder groups to advance safety, sustainability, commerce, ethics and knowledge. These are challenging times but not insurmountable with the right cultural approach.

## Bronwyn Capanna

Executive Director  
July 2022

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