

Media Release

Accord Infographics on Australia's effective but overly-complex regulatory frameworks: more efficient regulation with less red tape and greater international alignment will benefit all

Canberra, 18 November 2022. Speaking in a panel session titled 'National regulation in a global economy' at today's Public Sector Economists Conference in Canberra Accord Executive Director Bronwyn Capanna highlighted the two-sided nature of Australia's current regulatory framework for hygiene, personal care and specialty products. Also profiled were two new Infographics illustrating this issue.

"Effective regulation must of course protect the public, workers and the environment from unsafe products. And on this front Australia's various regulatory frameworks work well," Ms Capanna said.

"Consumers can be assured that independent scrutiny by Australian regulators, combined with the strong safety and environmental focus of the mainstream industry Accord represents, has been effective in addressing safety needs for many years now," Ms Capanna said.

"But there is a flip side to all this. And this relates to the question of whether Australia's existing regulatory approaches are truly fit for purpose.

"Technologies evolve and so do products and markets. Our times call urgently for the pursuit of greater sustainability and for better environmental performance by the products we bring to market.

"So, it is critical that our existing regulatory frameworks can support, rather than stifle, innovation that leads to the products of the future. Especially as this innovation for better products is a now truly global endeavour.

"Regrettably, the experience of businesses within our sector continues to show that for many parts of the Australian regulatory system there is still an overabundance of complexity, duplication and unproductive paperwork requirements, often combined with interventions that are not always calibrated appropriately to actual risk. A raft of inefficiencies.

"No industry nowadays is entirely local. Most, like Accord's, are global and this of course includes all our Australian-based firms that export to other nations and regions. So, another growing imperative is for better alignment of local Australian regulation with that of other advanced markets and greater use of international regulatory principles and standards, instead of Australian-unique approaches.

"To illustrate this two-sided nature of current Australian regulation of our industry's products, Accord has published two illustrative Infographics. The first 'Regulation for Safety and Confidence' profiles the effective way in which Australian regulation covers the bases in terms of safety protection. While the second 'Regulatory Complexities and Challenges' shows the many areas where regulation can be made truly fit for purpose to support innovation and the products of the future.

"The work of regulators is important and highly valued by industry. So, this is not intended as criticism for its own sake. Instead by addressing these challenges we can make regulation more efficient, freeing up regulators to focus more clearly on those areas of highest risk," Ms Capanna concluded.

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Attach – Accord Infographics on regulation

Regulation of hygiene, personal care and specialty products



hygiene, personal care & specialty products industry

Hygiene, personal care and specialty chemical products are regulated to protect human health, safety and the environment.

Australia has a rigorous and independent regulatory system at the federal, state/territory and local government levels.

Regulation for safety & confidence



Risk assessment

Risk assessment underpins regulation in Australia.

Following risk assessment, controls are put in place to minimise any risks.

Risk assessment
Likelihood of harm

Control measures

e.g. bans; restrictions on use; workplace controls; classification and labelling; control of emissions to air, water and land; waste disposal restrictions

Regulators

Regulators assess risk, implement control measures and enforce compliance with these controls.

Regulation impacts every aspect of a chemical product and its ingredients. Multiple regulators are responsible for these aspects.

Spotlight on: Ingredient and product introduction

Category	Scope	Examples	Regulatory regime*					
			TGA ¹	APVMA ²	FSANZ ³	AICIS ⁴	ACCC ⁵	SUSMP ⁶
Therapeutics	Products that make a therapeutic or health benefit claim	Some mouthwashes, toothpastes, sunscreens, medicated soaps, anti-dandruff shampoos, disinfectants, sanitisers	☑				☑	☑
Agvet	Agricultural & veterinary chemical products	Dairy sanitisers for on-farm use, insect repellents for personal use		☑			☑	☑
Food & beverage	Chemicals in food & beverage products	Ingredients & additives in food for human consumption, such as processing aids, colourings, vitamins and minerals			☑		☑	
Industrial chemicals	All substances that are not defined as therapeutics, agvet or food & beverage	Ingredients in cosmetics & personal care and cleaning & hygiene products; commodity & industrial-use chemicals, inks, adhesives, paints, glues, solvents, candles etc.				☑	☑	☑

Spotlight on: Personal care, cosmetic & household products



INGREDIENTS

- Must comply with AICIS introduction rules⁴
- Some are prohibited/have limits in specific products^{1,6}



PRODUCTS

- Certain products are individually assessed^{1,2}
- Products safety and recalls, if needed^{1,2,5}
- Australian/International standards apply to some categories, e.g. sunscreens, aerosol containers, child-resistant packaging⁷



INFORMATION

- Cosmetic ingredient labelling⁵
- Safety warnings, if needed⁶

Can we trust the system?

Australia, like other advanced nations, has a robust regulatory system designed to deliver safety for consumers and the environment.

Decisions about risk and safety can be safely entrusted to regulatory scientists and expert scientific bodies.

Regulatory scientists & expert scientific bodies

Scientific knowledge
Training
Independence

Informed risk assessments
Appropriate controls
Consumer confidence

Can the system be improved?

Please refer to our 'Complexity and challenges' infographic

*Regulatory/standards system:

¹ TGA: Therapeutic Goods Administration

² APVMA: Australian Pesticides and Veterinary Medicines Authority

³ FSANZ: Food Standards Australia New Zealand

⁴ AICIS: Australian Industrial Chemicals Introduction Scheme

⁵ ACCC: Australian Competition and Consumer Commission

⁶ Standard for the Uniform Scheduling of Medicines and Poisons

⁷ Standards Australia and the International Standards Organisation (via various regulatory systems)

Regulation of hygiene, personal care and specialty products

Hygiene, personal care and specialty chemical products are regulated to protect human health, safety and the environment.

Ongoing improvement is needed to ensure Australian regulation remains fit for purpose.

Regulatory complexity and challenges

Accord advocates for evidence-based, fit-for-purpose regulation.

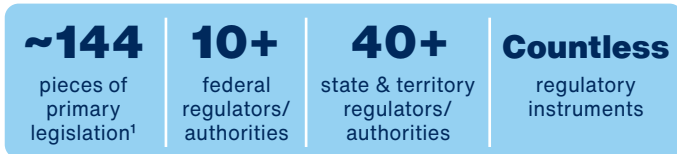
This means regulation that offers the necessary protections without stifling innovation and investment or overly burdening the regulated industry.

Can the system be improved?

Australia's chemicals regulation system is rigorous and robust in protecting human health, safety and the environment.

However, its complexity and unique Australian requirements have significant impacts on businesses, consumers and the economy.

Complexity



'The regulation of chemicals and plastics has long been the subject of concerns about inconsistencies, complexity and fragmentation'²

This places a large compliance burden on responsible businesses in the sector, with knock-on effects.

A good regulatory system should

PROTECT



Human health, safety & environment

ENABLE



Innovation & efficiency



Consumer information & choice



Consumer trust

Unique Australian requirements



New product / ingredient

Is it worth it?

- > Small market
- > Unique requirements
- > Reassessment costs



Australian requirements form a barrier to the availability in Australia of the latest, innovative products and ingredients. Often, unique Australian requirements—over and above the requirements of other trusted overseas authorities—are not justified.

Fit-for-purpose regulation

A lower regulatory burden and greater fit-for-purpose system that is aligned with those of comparable overseas economies has significant benefits for businesses, regulators, consumers and the economy.

Increase... FIT FOR PURPOSE	Complexity	BENEFITS				
		Businesses	Regulators	Consumers	Economy	
Minimum, effective regulation	Red tape					
Proportionate to risk	High compliance costs	▲ Efficiency	More time & investment in core business, not red tape	Resources prioritised to higher risk No duplicative assessment	Regulatory efficiencies reflected to consumer	Greater productivity
Evidence-based	Unique Australian requirements	▼ Cost	✓	✓	✓	✓
Internationally aligned	Long assessment timeframes	▲ Access	More innovative ingredients	Data and knowledge from trusted overseas regulators	More innovative products	'Level playing field' for small & large businesses
Compliance certainty & consistency	Inconsistent interpretation		✓	✓	✓	✓
Meaningful consultation	Decrease... REGULATORY BURDEN					

Can we trust the system?

Please refer to our 'Regulation for safety & confidence' infographic

Technologies, systems and markets are constantly evolving. Regulatory systems must do likewise so they do not create barriers to the development and availability in Australia of innovative products and ingredients e.g. with superior performance and environmental characteristics.

Regulatory/standards system:

¹ Environment Australia 1998, National Profile of Chemicals Management Infrastructure in Australia

² Productivity Commission 2008, Chemicals and Plastics Regulation, Research Report, Melbourne