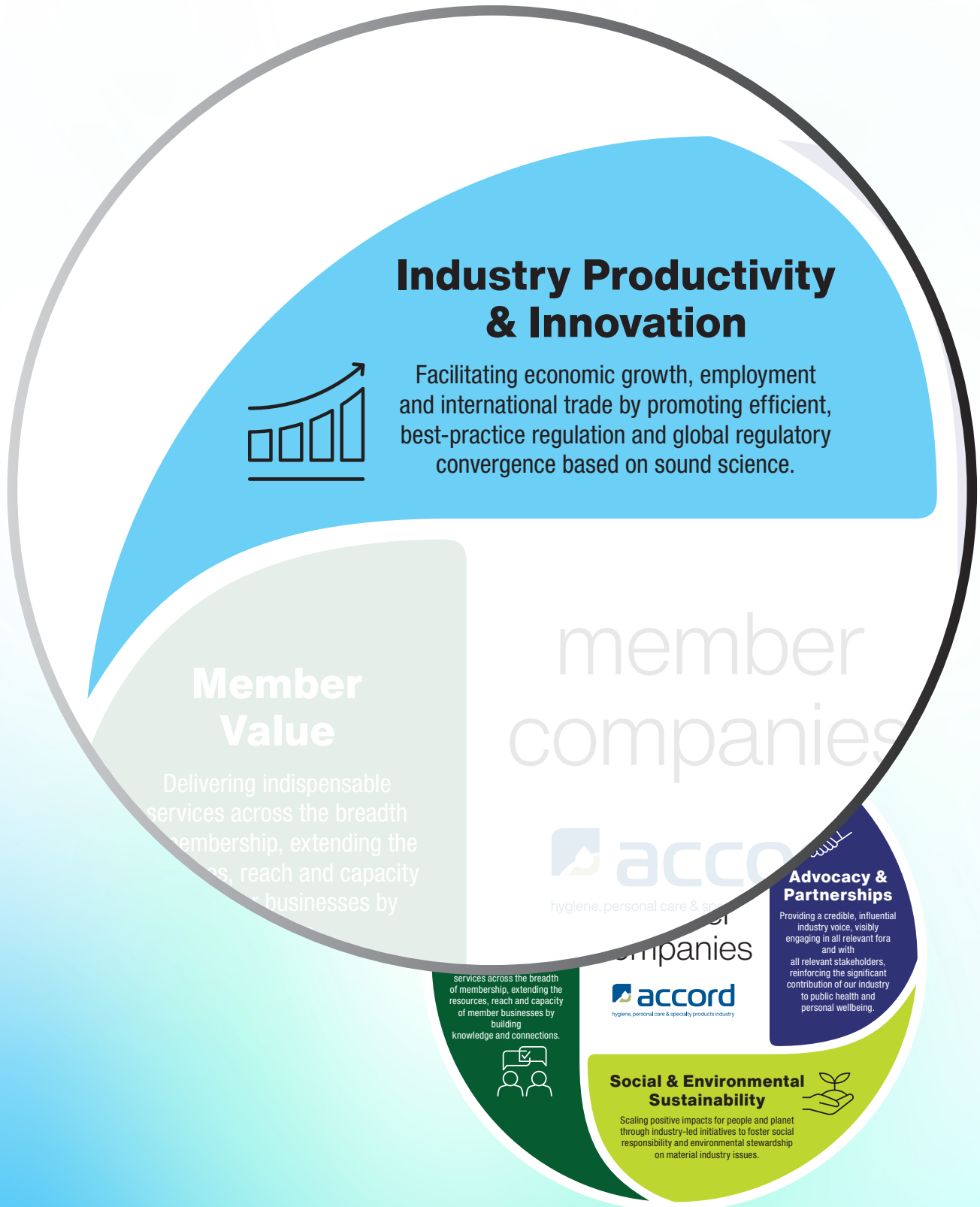


Industry Productivity & Innovation



Industry Productivity & Innovation

Facilitating economic growth, employment and international trade by promoting efficient, best-practice regulation and global regulatory convergence based on sound science.

Some key achievements for 2023-2024

- We successfully argued a lack of conformance with the Cost Recovery Guidelines for the new Industrial Chemicals Environmental Management Standard (IChEMS), such that the Government agreed to fund IChEMS rather than cost-recover, saving industry \$14.2 million over four years from 2024–25 and \$1.3 million per year ongoing from 2028–29.
- We also continued to actively engage on the proportionate implementation requirements of IChEMS.
- We successfully defended an important sunscreen active ingredient used in approximately 60% of TGA-regulated sunscreen products in Australia, until the TGA completes a more realistic and robust exposure modelling. We also continued our active engagement and dialogue with the Therapeutic Goods Administration (TGA) to progress streamlined regulation of sunscreens, disinfectants, other 'interface' products and cosmetic ingredients (via chemical scheduling).
- Via our outreach to the Department of Finance and relevant regulatory agencies, we promoted adherence to best practice regulation and emphasised the need for better collaboration with regulated entities for improved regulatory outcomes.
- Our continued constructive approach with the industrial chemicals regulator, the Australian Industrial Chemicals Introduction Scheme (AICIS), via engagement with the Executive Director and senior members of the AICIS team, has delivered some positive regulatory change (see detailed report below) including the establishment of regular bilateral meetings and more realistic timeframes to pay registration fees.
- We engaged with the Department of Agriculture, Fisheries and Forestry (DAFF), the interim CEO and key team members of the Australian Pesticides and Veterinary Medicines Authority (APVMA), to facilitate better understanding of our industry's products, in preparation for the reform of the agricultural chemicals and veterinary medicines regulations.

Regulatory Affairs Report

Lighter Touch, Lower Cost, Faster to Market

Therapeutic goods regulatory reform

Accord continues to work with the TGA to reduce the regulatory burden on low-risk member products such as disinfectants, sunscreens and their ingredients. We are active

participants in the TGA's Industry Working Group on GMP (TIWGG), as well as the Complementary and OTC Medicines Regulatory and Technical Forum (ComTech) and Regulatory and Technical Consultative Forum for medical devices (RegTech), resulting in TGA's greater understanding of Accord member issues and specific reform proposals.

For sunscreens, the priority over the reporting period has been more risk-appropriate consideration of sunscreen ingredients, seeking recognition of the need for innovation and avoiding the loss of important sunscreen products. Accord successfully defended a critical sunscreen active ingredient used in approximately 60% of TGA regulated sunscreen products and encouraged the development of more realistic risk assessment methods. Additionally, Accord continued to defend other ingredients on the Permissible Ingredients List for their continued acceptance in sunscreens.

Accord achieved a long-awaited positive outcome for medical devices containing ingredients with microbial or recombinant origin, moving them out of automatic Class III classification to align more closely with comparable overseas regulators. Accord has continued to work with the TGA to streamline the disinfectant application process and to clarify the testing requirements for member products. Accord also worked with the TGA to ensure that the TGA Instructions for Disinfectant Testing are easier to understand, aligned with international requirements, applied consistently and suitable for industry.

An important achievement in the reporting period for the cosmetics sector was the publication of the *Cosmetics or therapeutic goods: Guidance for advertisers and suppliers* guidance material, where the TGA recognised that the line between cosmetic and therapeutic products cannot be determined by considering a single factor, but requires a nuanced consideration of all factors including ingredients, claims, presentation and advertising.

AICIS improvements

2024 saw the completion of the 'stage-3' AICIS improvements process. This process was a result of Accord's advocacy and push for tangible improvements to the system, to rectify significant issues facing industry regarding the Industrial Chemicals Rules which began on 1 July 2020.

While some priority issues remain unresolved, Accord continues to collaborate with AICIS for continuous improvement of the system to address these outstanding issues.

Accord has also provided technical regulatory assistance to our international colleagues to assist in their understanding of the AICIS requirements and proposals for change.

Accord also continues to advocate for proper cost-recovery for AICIS activities in line with the Australian Government's Cost Recovery Guidelines.

Industry Productivity & Innovation

Agricultural and veterinary (Agvet) products regulatory reform, including dairy sanitisers

Accord continues to work with DAFF and the APVMA on the implementation of Agvet reforms, to provide a better regulatory framework for our industry sector.

Accord is continuing our open dialogue with the APVMA to discuss and resolve members' issues relating to APVMA permits and applications.

Transport and labelling of dangerous goods

Accord continues to work closely with the National Transport Commission (NTC) on the best outcomes for members and to build on our previous successes with regulatory reforms for the removal of unique Australian requirements that add regulatory burden, as well as advocating for a simpler, more efficient regulatory system for the transport of lower risk dangerous goods.

A full-scale review of the Australian Dangerous Goods Code (ADG Code) is currently underway—the first since 2007—and Accord has been actively engaged in this process. Over the reporting period Accord has provided multiple submissions on the Review Working Papers. It is our aim that the review will result in greater alignment with EU dangerous goods regulations to leverage international expertise and improve efficiency, as well as an update of the Code to reflect technological progress over the last decade.

International Alignment

New Zealand Environmental Protection Authority (NZ EPA)

Accord continues to represent industry views on the reform implementation of New Zealand's hazardous chemicals regime administered by the NZ EPA. On the proposed update of the Cosmetic Products Group Standard Schedules to align with the EU Cosmetic Products Regulation, Accord raised concerns about unnecessary regulatory costs proposed, as well as the potential negative impacts on trade with regions outside of the EU, such as Australia. Accord presented at the public hearing on this consultation in late September 2023.

Accord has also engaged with the NZ EPA on the proposed volume reporting of Hazardous Substances, ensuring that the volume reporting is no more than is needed for the regulator to provide appropriate oversight for hazardous chemicals.

Chemical scheduling

Accord continues to provide regular input into the chemical scheduling process via TGA public consultations process and through direct engagement with the TGA. We ensure Members are kept up to date on both upcoming consultations and scheduling decisions via the Regulatory Bulletin and targeted email alerts.

Accord responded to scheduling proposals for seven chemical ingredients of relevance to members, providing submissions to the Scheduling Committee and to the Delegate.

Accord also began drafting an application to amend the Poisons Standard to exempt low concentrations of certain unavoidable impurities from Schedule 7, an important step to safeguard continued use of surfactants containing these impurities.

Facilitate Trade and Commerce

Australian Competition and Consumer Commission (ACCC)

Throughout the reporting period, Accord has engaged with the ACCC on the development of timely and important industry guidance, *Making environmental claims: A guide for business*. We have actively worked with the ACCC by participating in an industry roundtable meeting and providing examples for use in the guidance before it was issued.

Members of the ACCC's Sustainability Taskforce attended the Accord Regulatory Affairs Committee in September 2024, after the publication of the guidance, to discuss possible next steps in this space.

Accord has also been an active member of the ACCC's Product Safety Consultative Committee, established with the aim of improving engagement with the regulated industries on consumer product safety issues.

Deputy Chair of the ACCC, Catriona Lowe, also met with the Accord Board in March 2024 to discuss the priorities and strategic approaches of the competition and consumer regulator as relevant to our industry sectors.

Industry Productivity & Innovation

Industrial Chemicals Environmental Management Standard (IChEMS)

In a significant achievement for Accord's advocacy, the government reversed its decision to cost recover from industry to fund IChEMS, saving industry \$14.2 million over four years from 2024–25 and \$1.3 million per year ongoing from 2028–29.

Accord continues to engage with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and States and Territories to provide industry perspective in the development of the associated regulations and standard setting.

Supply chain resilience, simplifying trade...and more

Since the COVID pandemic, Accord has been an active participant on the Office of Supply Chain Resilience (OSCR) Roundtable. As we continue to experience the domino effect of key local manufacturing shutdowns, we persist in voicing the need to build resilience in Australia's supply chain.

DAFF established an authentication system for cosmetic GMP certificates which began operating in April 2023, to support export of Australian manufactured cosmetics to China. Since then, Accord has continued our dialogue with members and DAFF to improve the workability of the system.

As a member of the Australian Chamber of Commerce and Industry (ACCI), Accord supported ACCI's submissions on a range of issues including *Simplifying Australia's trade system: Strengthening Australia's reputation as a global leader in trade.*

Accord continues to engage with members on all of this work and to keep companies abreast of ongoing developments via our regular Member Updates and Regulatory Bulletin.