



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

Mr James Chisholm
Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: unitpricing@treasury.gov.au

Dear Mr Chisholm

ACCORD is pleased to provide the following comments in relation to the Unit Pricing Issues Paper.

ACCORD Australasia is the peak national industry association representing the manufacturers and marketers of formulated consumer, cosmetic, hygiene and specialty products, their raw material suppliers, and service providers. ACCORD members market fast-moving consumer and commercial goods primarily in Australia and New Zealand.

Our industry's products play a vital role in:

- keeping our households, workplaces, schools and institutions clean, hygienic and comfortable;
- personal hygiene, grooming and beauty treatments to help us look and feel our best;
- specialised uses that assist production and manufacturing to keep the wheels of commerce and industry turning; and
- 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 we all too often take for granted.

With estimated annual retail product sales in the vicinity of \$10 billion, the formulated 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 sector - supplying products essential for Australian businesses, manufacturing firms, government enterprises, public institutions, farmers and consumers.

Our industry has more than 50 manufacturing operations throughout Australia and member companies include large global consumer product manufacturers as well as small dynamic Australian-owned businesses. A current list of ACCORD member companies is provided at Attachment 1.

ACCORD has an interest in the proposal regarding mandatory unit pricing for standard groceries. As a general principle, ACCORD supports efficient regulation that is set at the **minimum effective level** of intervention necessary to manage risks while at the same time promoting innovation and business activity. ACCORD is not aware of any market failure which requires this level of mandated intervention. ACCORD does not see how a mandatory scheme as outlined in the Issues Paper would support these principles of best practice regulation.

ACCORD Australasia Limited (formerly ACSPA) ACN 117 659 168 ABN 83 205 141 267
PO Box 290 BROADWAY NSW 2007
Tel: 61 2 9281 2322 Fax: 61 2 9281 0366 Website: www.accord.asn.au

Innovative solutions for healthy living and a quality lifestyle

ACCORD supports the broad principles acknowledging consumer rights and consumer protection and notes that Australia has a well established system of consumer protection. Regulation should only be imposed to provide additional detail and clarity to the intent of the law where there is a demonstrated market failure or demonstrable consumer benefit following an impact and cost benefit analysis.

However, the Issues Paper does not indicate the scope of products to be covered nor the scope of retailers subject to these proposed mandatory requirements.

Given that the scope of the problem has not been sufficiently well articulated nor the perceived benefits identified, it is difficult to draw a conclusion in favour of opting for a mandatory option as the first step. As the Issues Paper points out, the majority of stakeholders support unit pricing. Given this high degree of support, ACCORD would recommend that a self regulated approach such as a voluntary industry code of conduct be the first step. The code could outline general principles of good practice to be followed, but should not be onerous and should not place an additional compliance burden on industry and in particular small business. Similarly, the code should not impose additional requirements on manufacturers or suppliers of goods subject to unit pricing, or act as a detriment to product innovation.

It is essential in any reform process that elements of the reform agenda do not end up competing with each other resulting in little overall progress being made. In this case we would urge the Government to consider whether the benefits to the consumer will be significant enough to outweigh the costs.

Given that many elements of the proposal are still under consideration including the scope of products to be included – it is difficult for ACCORD to assess the potential impact of a mandatory scheme on our Members. We therefore request that we be kept informed of ongoing developments with this proposal.

Should you have any questions in relation to ACCORD's position, please do not hesitate to contact me either by phone on 02 9281 2322 or by email at dsabic@accord.asn.au.

Yours sincerely

A handwritten signature in black ink that reads "Dusanka Sabic". The signature is written in a cursive style with a large initial 'D'.

Dusanka Sabic
Director, Regulatory Reform

10 October 2008

Members

Consumer, Cosmetic and Personal Care:

Advanced Skin Technology Pty Ltd
Alberto Culver Australia
Amway of Australia Pty Ltd
Apisant Pty Ltd
Aroma Science
AVON Products Pty Limited
Beiersdorf Australia Ltd
Chanel Australia
Clorox Australia Pty Ltd
Colgate-Palmolive Pty Ltd
Combe International Ltd
Cosmax Prestige Brands Australia Pty Ltd
Coty Australia Pty Limited
Creative Brands Pty Ltd
De Lorenzo Hair & Cosmetic Research Pty Ltd
Dermalogica Pty Ltd
Elizabeth Arden Australia
Emeis Cosmetics Pty Ltd
Estée Lauder Australia
Frostbland Pty Ltd
GlaxoSmithKline Consumer Healthcare
Helios Health & Beauty Pty Ltd
Incolabs Pty Ltd
Johnson & Johnson Pacific
Kao (Australia) Marketing Pty Ltd
Keune Australia
Kevin Murphy Business Services P/L
KPSS Australia Pty Ltd
Kimberly Clark Australia
La Biosthetique Australia
La Prairie Group
L'Oreal Australia Pty Ltd
LVMH Perfumes and Cosmetics
Mary Kay Australia Pty Ltd
Nak & Nioxin
Nutrimetics Australia
NYX Pty Ltd
Procter & Gamble Australia Pty Ltd
Pure Products Pty Ltd
PZ Cussons Australia Pty Ltd
Quantum Pacific Ltd
Reckitt Benckiser
Revlon Australia
Scental Pacific Pty Ltd
Shiseido (Australia) Pty Ltd
Thalgo Australia
The Heat Group Pty Ltd
The Purist Company Pty Ltd
Three Six Five Pty Ltd
Tigi Australia Pty Ltd
Trimex Pty Ltd
Ultraceuticals
Unilever Australasia
YSL Beaute

Hygiene and Specialty Products

Albright & Wilson (Aust) Ltd
Applied Australia Pty Ltd
BP Castrol Australia Pty Ltd
Callington Haven Pty Ltd
Campbell Brothers Limited
Castle Chemicals Pty Ltd
Chemetall (Australasia) Pty Ltd
Chemform
Ciba (Australia) Pty Limited
Clariant (Australia) Pty Ltd
Cleveland Chemical Co Pty Ltd
Deb Australia Pty Ltd
Dominant (Australia) Pty Ltd
Ecolab Pty Limited
Huntsman Corporation Australia Pty Ltd
Jalco Group Pty Limited
Lab 6 Pty Ltd
Milestone Chemicals Pty Ltd
Novozymes Australia Pty Ltd
Nowra Chemical Manufacturers Pty Ltd
Peerless JAL Pty Ltd
Recochem Inc
Rohm and Haas Australia Pty Ltd
Solvay Interlox Pty Ltd
Sonitron Australasia Pty Ltd
Sopura Australia Pty Ltd
Tasman Chemicals Pty Ltd
Thor Specialties Pty Limited
True Blue Chemicals Pty Ltd
Whiteley Corporation Pty Ltd

Associate Members

Specialist Laboratories and Testing

ams Laboratories

Dermatest Pty Ltd

Equipment and Packaging Suppliers

EquipNet Inc.

HydroNova Australia NZ Pty Ltd

SCHÜTZ DSL (Australia) Pty Ltd

Logistics

Star Track Express Pty Ltd

Legal and Business Management

FCB Lawyers

Middletons Lawyers

PricewaterhouseCoopers

TressCox Lawyers

Recruitment

Chemskill

Regulatory and Technical Consultants

Archer Emery & Associates

Competitive Advantage

Engel Hellyer & Partners Pty Ltd

Robert Forbes & Associates

Sue Akeroyd & Associates

Toxikos Pty Ltd

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