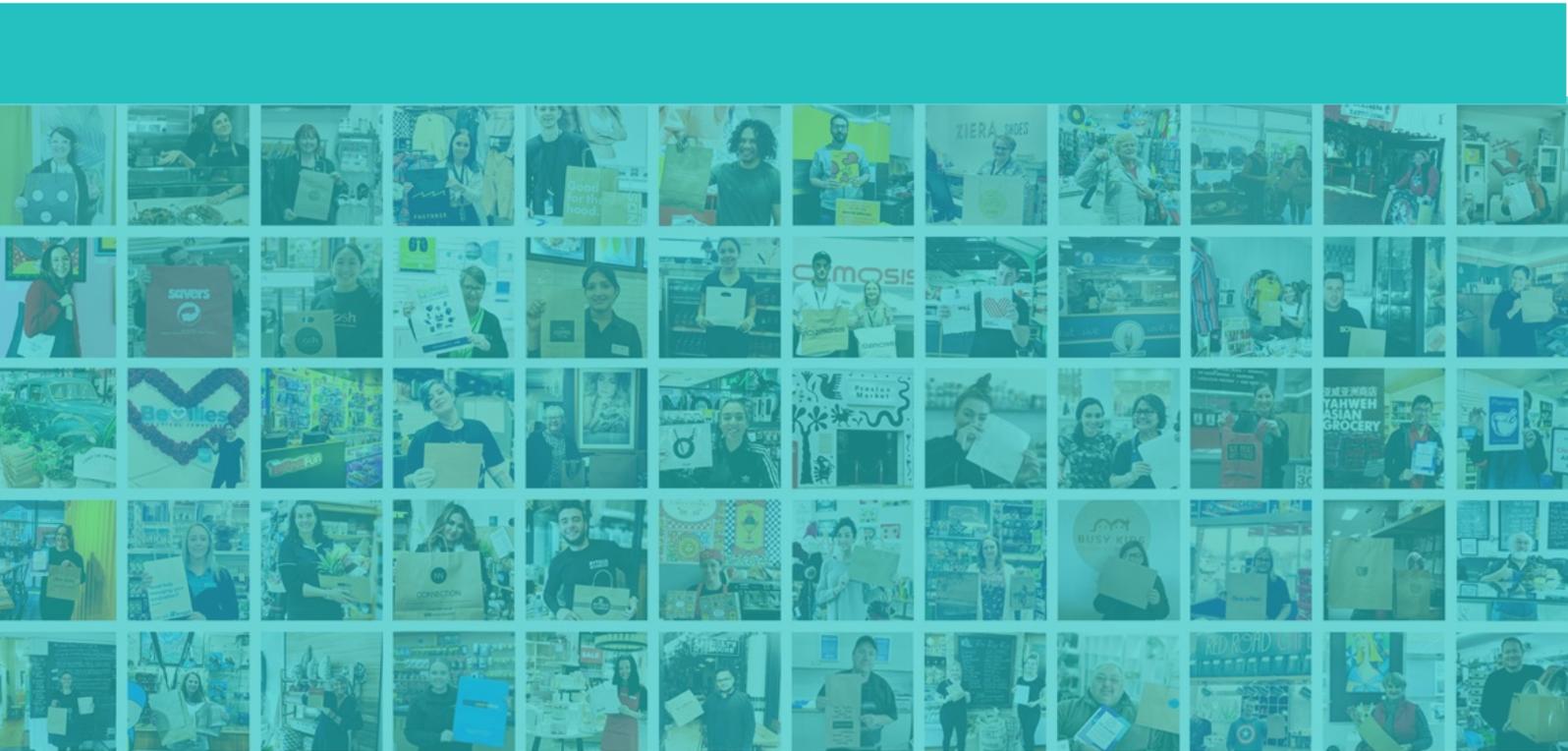




SUBMISSION FROM THE NATIONAL RETAIL ASSOCIATION

In response to Consultation Paper:
Review of the information standard – Cosmetic ingredient labelling

Submitted 6 January 2020 to:
Australian Competition & Consumer Commission (ACCC)



The National Retail Association welcomes the opportunity to make submissions on the Review of the information standard – Cosmetic ingredient labelling.

The consultation paper discusses four policy options:

Option 1 - Maintain the current information standard (status quo)

Option 2 - Amend the information standard

Option 3 - Allow overseas standards

Option 4 - Revoke the information standard

1. What is your preferred option and why?

The NRA submits that a combination of Option 1 (to maintain the current information standard) and Option 3 (to allow overseas standards) is the preferred option.

The Information Standard is the already complex and regulation is fragmented in Australia. The labelling requirements for cosmetics are currently included across various pieces of legislation including:

- Commerce (Trade Descriptions) Regulation 2016 – trade descriptions required on imported products.
- National Trade Measurement Regulations 2009 – for pre-packaged goods, the name and address of the Australian packer.
- Standard for the Uniform Scheduling of Medicines and Poisons (as enacted in State and Territory legislation) - the name and address of the Australian manufacturer or distributor.

Regulatory duplication and overlap must be avoided to ensure the requirements are clear and unambiguous, and that costs of compliance do not become prohibitive, or a disincentive to compliance. Considering the effectiveness of past product recalls, the mandatory standard has been effective.

To include Option 3 provisions should be included for products where the labelling is compliant with the current labelling requirements for cosmetic products of New Zealand, USA, Canada or the European Union, as if the product were for sale or supply in those countries. By allowing overseas standards in testing and verification whilst maintaining the status quo compliance costs could be reduced for suppliers and retailers as they will be able to rely on evidence of conformity with requirements in other recognisable markets such as USA, EU, and UK.

2. Is the information standard an effective mechanism to inform consumers and health care professionals about ingredients in cosmetic products?

We do not have member data on the effectiveness the current standard. We therefore agree with the ACCC that has identified high levels of compliance with the information standard among the major brands sold at retail level.

3. What are the costs associated with meeting the compliance requirements of the current information standard?

We are unable to provide insights, as our members are unable to provide information, or the data is business confidential.

4. Do you think online suppliers should be required to provide ingredient information with the listing of their cosmetics?

Yes, this is important for consumers with allergies.

5. Do you think suppliers should be required to disclose nanomaterials in the list of cosmetic ingredients? Are there practical implications in adopting this requirement?

NRA supports full disclosure of nanomaterials on cosmetic ingredient lists as it allows consumers to make informed purchasing decisions. Please note many retailers currently prohibit the addition of nanomaterials in relevant own brand cosmetic products.

6. Do you think suppliers should be required to disclose additional information on their cosmetics (e.g. batch number, date of expiration, name and address of the manufacturer or distributor, function of the cosmetic product)?

This should be encouraged, as it will ensure consumer use the safest possibly product. In the event of a recall, suppliers only need to remove affected product from the market that can also be easily identified by consumers.

7. If you are a supplier, can you advise of any increased costs associated with option 2 and option 3?

It is difficult to anticipate cost impact accurately. However, Option 3 gives options and alternatives to test and verify the ingredients, and therefore we expect it not to have a negative impact on suppliers and retailers.

8. Are there additional matters the ACCC should consider?

The consultation document notes that cosmetics in toys must comply with both the requirements for toys and the requirements for cosmetics.

We suggest an explanatory note being added to the standard to confirm for suppliers of such products that both requirements apply, i.e. that it is not one or the other.

However, we note that there are many other requirements and products subject to multiple categories and multiple regulatory regimes. It may be more effective to make the information that multiple categories and regimes may apply as a general statement in its compliance advisory pages. For example, toys are also electrical items and chemicals.

Thank you for this opportunity to provide our submissions on behalf of the retail industry and our members.

Should you have any queries, I can be contacted on 0409 926 066 or d.stout@nra.net.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read "D Stout".

David Stout

Director, Policy

National Retail Association

ABOUT THE NATIONAL RETAIL ASSOCIATION

Currently, the Australian retail sector accounts for 4.1 percent of GDP and 10.7 percent of employment, which makes retail the second largest employer in Australia and largest employer of young people.

The National Retail Association is Australia's most representative retail industry organisation, servicing more than 28,000 retail and fast food outlets nationwide.

We know all types of retail.

Our members cover all types of retail including fashion, groceries, department stores, household goods, hardware, fast food, cafes and services. The NRA has represented the interests of retailers and the broader service sector for almost 100 years.

We represent all of retail.

The NRA not only leverages off the strength of its existing member network and existing communication channels, but is one of the few industry associations which engages with retailers *beyond* its membership base. Our inclusive approach allows us to engage across the entire industry, providing unparalleled access to our partners.

We offer an all-in-one solution for retail businesses.

At our core, we help retail and service sector businesses to navigate and comply with an ever-changing and growing regulatory environment. We provide professional services and critical information right across the retail industry, including national retail chains and thousands of small businesses, independent retailers, franchisees and other service sector employers.

We help retailers get on with business.

We understand that as a business operating in a competitive marketplace, it is vital that retailers receive accurate and timely information on issues that impact their business. But no business, whether large or small, can afford to employ in-house experts in every regulatory area in the industry. We provide retailers with easy and affordable access to industry-specific advice and solutions across all jurisdictions.

We know what we're doing.

NRA services are delivered by highly trained and qualified in-house staff with combined decades of experience and industry knowledge. Importantly, because the NRA is a not-for-profit industry association, we can deliver professional services at a much lower cost than other providers.

We work well with others.

The NRA are known and respected for our professional approach to collaboration, influence and negotiation. This mature approach enables us to gain greater access, build stronger relationships, and work collaboratively with a wide range of stakeholders, including all levels of government, law enforcement, regulatory bodies, shopping centres, community groups, supporting associations and many more.

National Retail Association Technical Standards Committee

Dedicated to promoting responsible retailing through a cohesive cooperation, the National Retail Association Technical Standards Committee (NRATSC) actively participates in regulatory, industry and standard reviews relating to the safety of retail merchandise.

The Committee consists of product safety and quality assurance specialists from most of the national retail organisations across Australia. The Committee meets twice annually, with meetings convened at different sites and states.

The logo for the National Retail Association features a circular arrangement of white dots of varying sizes, forming a ring around the central text. The dots are arranged in a slightly irregular pattern, with some larger than others, creating a sense of movement or a stylized 'N' shape.

**National Retail
Association**