Cosmetic Toiletry and Fragrance Association of New Zealand Inc

Submission on Tran-Tasman Mutual Recognition

To

Australian Productivity Commission

Prepared on 8 August 2003

Contact Details

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Background

The Cosmetic Toiletry and Fragrances Association of New Zealand Inc. (CTFA) is a membership organisation representing companies within the broad description of the association name.

The present membership consists of the majority of Cosmetic, Toiletry and Fragrance manufacturers and/or distributors of such products within New Zealand and by value around 90% of the market.

Membership is voluntary however it is governed by a Code of Ethics governing conduct and a Code of Practice is under development covering such areas as Good Manufacturing Practice, MSDS requirements for Toxic products as well handling and storage GMP.

Currently the membership totals around 50 members and include sub groups such Beauty and Hair Salon Marketers.

Our membership mix is around 50% multi-national and contains around 20% manufacturing. The largest market share held by any one company is 19% however this share fluctuates depending on the product categories from 0% to 42%

The CTFA works in close cooperation with groups such as the Direct Sellers and the Employers and Manufacturers Association.

The CTFA has liased with its sister organisation in Australia on the content of this submission and on the issues faced under the current Australian regime by their members.

SUBMISSION

The CTFA New Zealand is in favour of continuing the TTMRA process and expanding its scope to cover a wider range of laws however this must be done with transparency to ensure that compliance costs to business are identified and where possible either reduced to the minimum or removed.

It is our concern that regulators and politicians do not fully consider the TTMRA and MRA when considering new legislation and that this must be a prerequisite if ultimately New Zealand and Australia are to provide a model for a Australasian common market.
Such considerations should however not ignore that fact that both countries are part of a global market and products are no longer sourced just from domestic manufacturers but at the best quality and price from the global market.

It is our contention that the TTMRA and MRA not be used to provide an Australasian set of rules to the exclusion of the rest of the world and to set artificial barriers to trade which in the long term will make domestic manufacturers uncompetitive and lacking in innovation.

We must ensure that in this process we do not allow regulatory structures to be created that will stifle new innovation and better products from reaching consumers whether these structures are Trans-Tasman or isolated to a single country or state.
Providing the genuine health risks of new products entering the Australasian market are addressed, there should be fast and efficient low cost systems to allow both domestic manufacturers and importers alike to place new products to the market.

The rules currently facing Cosmetic Manufacturers and distributors in both New Zealand and Australia are not consistent and do not reflect best world practice in either market and can not be said to address the genuine health risks for cosmetics and the industry is concerned that neither country has looked at the benefits of accepting mutually cosmetics already fully vetted under such jurisdictions as the European Union Cosmetic Directive whether this be for HSNO (New Zealand) or Therapeutics (Australia)
The CTFA does not believe that in a combined market of under 24 million people we can justify operating a separate set of rules from the rest of the world and as the world moves to the GHS then so should both the Australian and New Zealand markets but not in isolation.

Our comments on the report are made on the following key points:

1. The New Zealand Government has now announced changes to the HSNO legislation which if implemented correctly should alleviate much of the concerns about how this legislation would impact on the ability of substances to move from Australia to New Zealand. We support the statements by the commission on advancing the GHS in Australia and would see that the changes announced will make the process of mutual recognition easier to implement on a Trans-Tasman basis.

   We remain concerned that there will still be significant costs retained in the New Zealand Hazardous Substances system and we advocacy that these costs should be reviewed carefully in any harmonisation process involving Australia moving into the GHS. Such costs include the approved handler requirements, Test Certifiers and Test Certification of premises costs.

It is critical that we do not see any requirement for re-labelling of low risk products entering New Zealand and particularly if those same products are sold in Australia whether manufactured in either country or elsewhere.

2. We remain concerned at the administrative costs of the proposed joint agency for therapeutic products however we are supportive in principle of the concept of the Joint Agency.
We are keen to ensure that the principles established at the agreement for this agency is implemented in the legislation and regulations in the spirit it is intended.
We do not wish to see overly bureaucratic systems or the current cost structures present in the TGA applied under this agency. For internationally proven products such as sunscreens through to skincare products utilising SPF as a secondary purpose, we find the current Australian TGA system to be excessive and not related to the risk/benefit ratio for such products.

   We would also like to point out that newer and safer sunscreen products (titania metal based screening) are able to be sold in New Zealand and manufactured to the Australian and New Zealand joint standard but are as yet not able to be sold in Australia.
   These same products are available in most markets in the world and while they will be approved for use in the Australian market eventually, it is both a frustration to this industry in the depth of process for the Australian TGA and the costs which must ultimately be passed on to the consumer.

   We are happy with the work being done in the Advertising Standards area of Therapeutic advertising where the industries involved support the use of the New Zealand model being expanded for use in Australia.

The CTFA New Zealand supports the overall review report and the statements made as being reflective of the submissions it made and considers it to be a well researched document.