Mr Robert Fitzgerald
Commissioner
RIA Benchmarking Study
Productivity Commission
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Dear Mr Fitzgerald

Accord Australasia is pleased to provide the following submission in response to the Productivity Commission's (PC) Issues Paper: *Regulatory Impact Analysis: Benchmarking (March 2012) (Benchmarking Study).* Accord thanks the PC for allowing us the opportunity to provide a late submission.

Accord Australasia is the peak national industry association representing the manufacturers and marketers of formulated hygiene, cosmetic 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.

The formulated hygiene, cosmetic and specialty products industry is a significant industry sector contributing to a prosperous Australian economy. Our industry's products include household and commercial cleaning agents; disinfectants; make-up and beauty products; toiletries and personal care products; hair-care products; skincare products, including sunscreens; oral hygiene; fragrances and perfumes, feminine hygiene products; industrial and agricultural sanitisers; household pest control; and adhesives and sealants.

Sector products play a vital role in:

- *Safeguarding public health*: Maintaining essential standards of hygiene and sanitation in institutions, hospitality, manufacturing and agriculture.
- *Promoting personal well-being*: Helping people keep clean, healthy and shielded from harmful effects of the environment.
- *Maintaining comfortable homes*: Enabling people to keep their everyday surroundings clean and inviting.
- *Enhancing quality of life*: Giving people greater personal freedom through time- and effort-saving technologies.
- *Boosting confidence and emotional wellbeing*: Providing opportunities for self-expression, individuality and pampering.
- *Keeping the wheels of commerce and industry turning*: Fulfilling specialised uses in industry, institutions and agriculture.

Accord has around 94 member companies which range from smaller Australian-owned family businesses to the local operations of large consumer brand multinationals (a full membership list is provided at Attachment 1).

Headline features and statistics for our industry's economic footprint include:

- Estimated annual retail-level sales of industry products nudging the $10 billion mark.
- Accord member companies directly contribute more than 12,000 full-time equivalent jobs.
- Nationally more than 180 offices and more than 66 manufacturing sites are operated by Accord member companies.

Our sector is highly regulated with a recent internal Accord survey of members showing that:

- 97 percent have dealings with the National Industrial Chemicals Notification & Assessment
- Scheme (NICNAS)
- 73 percent with the Therapeutic Goods Administration (TGA)
- 51 percent with the Australian Quarantine Inspection Service (AQIS)
- 27 percent with the Australian Pesticides & Veterinary Medicines Authority (APVMA); and
- 29 percent with Food Safety Australia New Zealand (FSANZ).[1]

Additionally, our member companies are regulated by the Australian Competition and Consumer Commission (ACCC) under the Australian Consumer Law as well as a range of state and territory health, OHS, environment and transport agencies.

In essence there are three distinct product segments for our industry, each with distinct supply chains through to the product end user:

- Industrial and Institutional products (e.g. commercial cleaning products, agricultural sanitisers) which are mainly sold on a business-to-business or business-to-government basis or through agricultural product resellers.
- Fast-moving consumer goods (e.g. household cleaners, laundry detergents, toothpaste, shampoo, soap) which are sold to consumers primarily via either: grocery retailers, pharmacies, mass-market retailers, direct selling and hardware chains.
- Cosmetic and beauty industry products (e.g. make-up, skincare, sunscreens, fragrances, hair dyes) which are sold to consumers primarily via either: department stores, specialty retailers, grocery retailers, pharmacies, mass-market retailers, direct selling, hair salons, beauty salons, spas and on-line.

The chemical sector is a heavily regulated sector which has resulted in an overly complex system made all the more difficult through the duplication of roles and responsibilities for chemical management between Commonwealth entities, state and territory governments as well as some local government bodies. Governments have recognised the complexity of the regulatory system and the chemicals and plastics sector has been the focus of reform efforts following the PC study into chemicals and plastics regulation which was released in 2008. This has resulted in little by way of real outcomes having been achieved for our sector, but has resulted in increased costs due to the nature of cost recovery and a general tendency towards more unique Australian requirements rather than a move towards harmonisation of regulatory practices with that of our major trading partners. We believe that cost recovered agencies are not subjected to same level of scrutiny as budget funded entities despite the rhetoric around reform and a seamless national economy.

At the Commonwealth level, Accord members are primarily regulated by three cost recovered agencies the Therapeutic Goods Administration (TGA), the Australian Pesticides and Veterinary Medicines Authority (APVMA) and the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). In addition, member companies with consumer products are also regulated by the ACCC with particular regard to ingredient labelling, product safety, mandatory reporting and misleading and deceptive conduct.

[1] Data based on Accord's Industry Size and Scale Survey 2012

The proposed PC study to benchmark the efficiency and quality of the regulation impact analysis (RIA) process is therefore of considerable interest to Accord member companies as we have seen the costs for services continually rising with a commensurate decrease in the quality and quantity of services provided.

The total cost of doing business in Australia is much higher than elsewhere. In the World Bank's survey of *Doing Business 2012*, Australia is ranked 15th. In 2011 Australia was ranked 11 (New Zealand was ranked 3 in 2012 and 2011). This increasing burden is not only as a result of increased compliance costs associated with unique Australian requirements, but the additional costs imposed through cost recovered agencies and lost opportunity costs through an inefficient and overly complex regulatory regime. The growing impost on industry is not sustainable.

With the benefit of providing a late submission and having reviewed submissions received by the PC to date. Accord endorses the views put forward by CropLife Australia and PACIA. Indeed many of the examples put forward in these two submissions apply equally to Accord members.

In our submission we will provide some general comments as well as address some specific issues raised in the Issues Paper.

General comments

It is important to make a clear distinction between the Regulation Impact Analysis (RIA) process which informs good decision making and the Regulation Impact Statement (RIS) which details the process and procedures undergone in reaching the decision as well as the costs and benefits of implementing such a decision.

Despite the focus on reform, this has not resulted in developing and enhancing processes for regulation making which has brought about a noticeable improvement in the quality of regulation for the chemicals and plastics sector.

It would be fair to say that Accord member views and experiences reflect those expressed in the Issues Paper as a result of other studies such as that in Box 3 which cited the study of the British RIA process and found it to be *"… a 'bureaucratic sham' treated 'as a bolt-on extra designed to justify a regulation' rather than be used to shape and inform policy formulation*" (p14). As a member of ACCI, Accord also endorses the statement in its submission that *"It is common practice that once a proposed policy or regulatory response has been established, the RIA is used as an additional procedural requirement to justly the merits of the policy, rather than a process to carefully examine the proposed regulatory actions and its policy alternative*" (ACCI submission 4 May 2012).

Often it is the RIA process which is missing and a poorly constructed RIS is used to justify the proposed regulatory change. This is as a result, we believe, of those regulatory agencies which are allowed to make regulatory decisions in the absence of good policy. In the area of chemicals regulation, the cost recovered agencies are well resourced to undertake work which cash strapped and resource constrained budget funded agencies are not able to do. Therefore as we have observed earlier, cost recovered regulatory agencies escape the level of scrutiny applied elsewhere and poorly designed regulation or quasi-regulation is able to be implemented without adequate analysis or scrutiny.

We are pleased to say that as industry has become more vigilant about these processes and the Office of Best Practice Regulation (OBPR) has raised its profile, there is increasing pressure on regulatory agencies to now undertake consultation and develop RISs. However, in the absence of a proper RIA process to inform the decision maker, the RIS process in itself is inadequate.

We note that an important focus of the Benchmarking Study is to consider whether the current RIA processes consider national market implications so that jurisdictions do not create or maintain unnecessary barriers to business across jurisdictions.

In Accord's experience this has not been the case and examples have been provided in the submissions by PACIA and CropLife in relation to the adoption of the Australian Code for the Transport of Dangerous Goods by Road and Rail (the ADG Code) and national work, health and safety reforms.

Failure to adequately consider national market implications

Example1
The RIS undertaken for the ADG7 Code was based on the assumption that implementation would commence nationally within a set timeframe. This did not happen and it was a staggered introduction over several years. Not only that, a number of jurisdictions varied their legislation to that of the Model Code thereby significantly reducing the benefits which were to be derived from a National Code. Furthermore, the overarching policy body, the Competent Authorities introduced a range of unique Australian requirements which further limited the ability of the ADG7 Code to operate on a national basis.

A national RIS in this example did not take into account the practical implications regarding the realities of jurisdictional implementation. When NSW finally introduced its version of the ADG7 Code, we asked the NSW Government to undertake a RIS but we were advised that as one had been undertaken at the national level for the Model Code, NSW was not required to undertake further impact analysis. This was despite the fact that NSW was introducing its changes much later than other jurisdictions and there was considerable jurisdictional variation in the ADG7 Code. The example of the ADG7 Code clearly demonstrates that while there may have been initial consideration of national market implications, the inconsistent implementation of national reforms by the jurisdictions has led to a range of barriers to business across the various jurisdictions. The failure of jurisdictions to use the available tools such as adoption of deemed-to-comply provisions or mutual recognition to overcome these national marketplace distortions is yet to be satisfactorily explained to industry.

Example 2
Similarly with the introduction of the national work, health and safety legislation, a RIS was undertaken at the national level. The RIS indicated that for small business which did not operate across borders that the benefits were questionable:

> *While most small businesses do not operate in multiple jurisdictions, a significant number still do (Figure 7.3). Presumably, while their operations would be small in each state, they would still incur a relatively large fixed cost component for each state they trade in. To the extent that this is the case, by ameliorating these differences, the model Act may bring in proportionately larger benefits for multi-state small businesses than multi-state large businesses.*
>
> *Again, for single-state small business, the situation is less clear. The qualitative assessment in this RIS of individual aspects of the model Act indicates a net benefit to single-state businesses. As does a reasoned interpretation of the survey results. As small business' OHS costs are proportionally larger than their big business counterparts, any such increase in benefits from the Act may have a proportionally larger impact on small business (p61).*

Again, there has been no consistent implementation, with Victoria having undertaken its own RIS to determine if there will be any benefits to be derived by Victorian businesses in adopting the model work, health and safety legislation. The RIS undertaken by PriceWaterhouseCoopers has not demonstrated that the benefits outweigh the costs. Despite jurisdictional agreements to the

contrary, there appears to be no consistency in the consideration of national market implications, the costs and benefits to be derived and enhancements to national productivity.

Given that Australia is part of a global market and many Accord member products are marketed globally, we think it is equally important that consideration be given to the impact of regulation upon Australia's global competitiveness and whether the proposed regulations create an unnecessary barrier to international trade. We note that the draft recommendations of the OECD Council on Regulatory Policy and Governance as outlined in Box 5, point number 7 also recommends consideration of international instruments and fostering coherence at a global level with minimal disruption to national and international markets (p19).

Failure to adequately consider trade implications

Example 3
Through our own work we have found that the regulators with which Accord member companies deal, do not as a matter of practice routinely notify the World Trade Organisation (WTO) of new regulatory requirements. The last date of notification we were able to find for any regulatory amendments to either the *Therapeutic Goods Act 1989* (TGA Act) or the *Industrial Chemicals (Notification and Assessment) Act 1989* (ICNA Act) was in 2004.

Since that time there have been numerous amendments to both pieces of legislation which have had an impact on trade. For example, the decision by the TGA to adopt from 1 July 2010, the Pharmaceutical Inspection Cooperation Scheme (PICs) Guide to Good Manufacturing Practice (GMP) for Medicinal Products (January 2009 – PE 009-8,) and replace the Australian Code of Good Manufacturing Practice for Sunscreen Products with these new requirements has led to significant additional regulatory burden on industry.

PIC/S' mission is "to lead the international development, implementation and maintenance of harmonised Good Manufacturing Practice (GMP) standards and quality systems of inspectorates in the field of medicinal products." This is to be achieved by developing and promoting harmonised GMP standards and guidance documents; training competent authorities, in particular inspectors; assessing (and reassessing) inspectorates; and facilitating the co-operation and networking for competent authorities and international organisations. The Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (jointly referred to as PIC/S) are two international instruments between countries and pharmaceutical inspection authorities, which provide together an active and constructive co-operation in the field of GMP.

Accord members were not consulted prior to the decision to adopt the international GMP medicines standard which did away with the Australian GMP standard for sunscreens. The original Sunscreen GMP standard had been jointly developed by industry and TGA in 1994. The requirement of a medicines standard GMP for sunscreens is unique to Australia. While some international jurisdictions do regulate sunscreens as over-the-counter medicines, the level of regulatory control is not equivalent to that of Australia which regulates primary sunscreens to the same level as that of an orally ingested medicine.

The cost to sunscreen manufacturers of undergoing biennial TGA GMP audits is considerable, and even more so for overseas manufacturers. The cost of the audit is $550 per hour, with the audit lasting approximately 10 hours (over two days). If the manufacturing facility is located outside of Australia, the sponsor must also pay for the return business class airfare and accommodation for the duration of the audit. So the cost for a local manufacturer can be approximately $5 500, while the cost for an overseas manufacturer is in the tens of thousands of dollars. This is a considerable barrier to trade.

A benefit of adopting PICs is that signatories should mutually accept each other's GMP audits.

Even though the TGA is a signatory to PICs, it does not automatically accept all PICs GMP audits and will not accept third party audits approved by PIC signatories. This is particularly the case for sunscreen GMP because other regulatory authorities recognise these as lower risk products to medicines.

The TGA's non-acceptance of certain audits reduces the benefits to industry of Australia participating in this international harmonisation scheme. While the TGA has adopted this international framework the insistence of some unique Australian requirements has not realised the benefits to sunscreen manufacturers which may have been achieved through a better alignment of international requirements.

As far as we are aware, no RIS was undertaken when the TGA decided to adopt this international standard and there was no notification to WTO. While we have sought OBPR's assistance for a post implementation RIS, to date we have not had an outcome either way to our request.

We recommend that the focus of the RIA process also includes the impact of the regulatory decisions upon international trade.

Specific Issues raised in the Issues Paper

Is the design of the RIA process/requirements consistent with good practice?

Accord has always supported the COAG principles for best practice regulation and the Commonwealth's RIA process. However, our experience is that Commonwealth regulatory agencies are not very good at providing quality RIAs and RISs. Accord is of the view that policy areas within the responsible department should undertake the RIA and once the case for regulatory change is established, it should also develop the RIS in consultation with the regulatory agency on technical matters. Policy development should be kept distinct from regulatory agencies. However, it has become increasingly the practice that regulatory agencies propose regulatory changes devoid of proper consideration of the alternatives and that the RIS is often as the British study found a 'bureaucratic sham' (p14).

The RIA process should be mandatory at the policy development stage and full engagement of all stakeholders throughout the process to the final regulation making phase should be mandatory. An example of this process which was highly successful was in the development of the first phase of reform undertaken in 2002 on low regulatory concern chemicals (LRCC). A Task Force of government, industry and community representatives was established to oversight the reform process. It adopted the Commonwealth's RIA process as its guide to conducting the reform process from the very beginning. Extensive consultation was undertaken with industry and the community sector including focus group discussions. Submissions were received in response to a discussion paper and industry, government and community technical groups worked collaboratively to develop the recommendations. The initial reform process was highly successful but an overly risk averse approach to the interpretation of the reforms' intent has led to a loss of any reform benefit gained in that early period. Regulatory creep has been a key feature of clawing back the reforms achieved.

Decision made in the absence of any regulatory impact analysis

Example 4
An example of where a decision was made in the absence of any regulatory impact analysis and which will have a significant financial burden on the chemical industry is the decision to implement PC Recommendation 4.6 in the absence of any impact assessment.

> ***Recommendation 4.6***
> *NICNAS should implement a program to greatly accelerate the assessment of existing chemicals that:*
> - *screens all existing chemicals to develop a list of high-priority chemicals for assessment;*
> - *makes greater use of simulation techniques based on the hazards of chemical analogues*
> - *reviews the scope for recognising the existing chemical assessment schemes of a range of other countries as 'approved foreign schemes'. Priorities should be the schemes operated by Canada, the European Union and the United States.*
>
> *The Australian Government should meet the cost of screening all existing chemicals from budget funding. NICNAS should continue to recover the costs of subsequent assessment of chemicals of concern.*
>
> ***Response***
> *COAG notes the response of the Commonwealth as set out below.*
> *The Productivity Commission's recommendation envisages a resource intensive, Government-funded approach to assessment of existing chemicals. The extent and speed of implementation of this recommendation would be dependent on available funding. The recommendation for budget funding of this activity is not consistent with current cost-recovery policy as implemented in the National Industrial Chemicals Notification and Assessment Scheme. Resource implications require consideration in the development of an implementation plan.*

Industry is yet to see the implementation plan and we have asked for a number of years to see the Government decision which had apparently been made to progress this recommendation, but to no avail. But we have found via a report published on 16 May 2012 on the Standing Committee on Chemicals (SCOC) website[2] that COAG agreed at its meeting on April 2012:

> *with respect to National Hazard and Risk Assessment Reforms:*
> *agreed that reforms 4.1 – 4.5 and reforms 5.4 – 5.5 will be considered in the context of the Better Regulation Ministerial Partnership to Review NICNAS and removed from the SNE NP;*
> *agreed in relation to reform 4.6, to endorse the Implementation Plan from the Commonwealth Department of Health and Ageing;*
> *agreed in relation to reform 4.6, that following the completion of the SNE NP in December 2012 the Commonwealth be tasked with responsibility for the oversight of the implementation of this reform*;

NICNAS has successfully argued that Reform 4.6 builds on the recommendation from the 2006 review of NICNAS's Existing Chemicals (EC) Program. The reform aims to accelerate the assessment of existing chemicals, that is, to progress the relevant recommendations from the EC review (which provides a base level of activity) at a much faster pace, which is significantly more resource intensive. The resource intensity will also be on the side of industry as it will be expected to provide additional data on volume and use and the scope of data collection may require downstream users to also provide data. Previously these have been outside the scope of data collection within the ICNA Act.

Accord has already experienced this additional requirement for data as part of the ongoing reform process for cosmetics at the therapeutic/cosmetic interface. There was meant to be a seamless transition of those ingredients in commercial use which were transferred from the TGA's Australian

[2] http://www.innovation.gov.au/Industry/ChemicalsandPlasctics/SCOC/Pages?reviewof 15/06/2012

Register of Therapeutic Goods (ARTG) to NICNAS' Australian Inventory of Chemicals Substances (AICS). However, NICNAS is subjecting each ingredient to its IMAP process and making its own assessment as to whether these pose an unreasonable risk to public health and safety and/or environmental risk. The Inventory Multi-tiered Assessment and Prioritisation or IMAP is the assessment and prioritisation of existing chemicals to be undertaken in a staged manner – the first stage to run over four years – with funding to be cost recovered. The funding arrangements were addressed through the draft Cost Recovery Impact Statement (CRIS) which was finalised sometime in May. The Explanatory Statement which introduced the new charges to NICNAS' fees for 2012-13 ignores and does not expand that there was considerable industry opposition to the proposed increase in fees to recover the costs of the IMAP process.

Many of these ingredients have been in use for long periods in therapeutic goods, are deemed accepted for public health by the TGA and are unrestricted for cosmetic use elsewhere but NICNAS has placed restrictions on their use, without a RIS. This now requires effort on behalf of industry to defend these ingredients and restore their use patterns to that prior to the supposed reforms.

There has been no impact assessment of the costs to industry of this effort or any consideration of the trade implications if suddenly, commonly used cosmetic ingredients are now no longer able to be used in formulated products in Australia due to a "decision" made by NICNAS.

The funding for the IMAP process has been subjected to a CRIS as it forms part of the activity of a cost recovered agency. Industry believes that the IMAP work is in the public interest and should be Budget funded as was recommended by the PC in its study on chemicals and plastics regulation. Industry now faces increased costs as well as the additional burden of ingredients defence. The process will have a detrimental effect on industry yet no RIA has been conducted to see if the benefits outweigh the costs. The costs to industry over the next four years are as follows: 2011-12 $1.67M; 2013-14 $2.06M; 2014-15 $2.44M and 2015-16 $2.44M. The additional fee impost on industry does not include the increase in fees and charges which NICNAS has imposed for 2012-13. Some Accord members have advised that the total cost in just registration fees with the IMAP costs included have amounted to a 55% increase in fees over the current year. Yet no RIA was required.

Industry has always been concerned that the NICNAS proposal was developed in isolation of any robust regulatory impact analysis. Industry suggested that even if regulatory impact was not required that it would help to use this methodology to inform the development of proposals. A copy of industry's concerns as put in correspondence to Parliamentary Secretary King is attached (Attachment 2) for information.

Exemptions and exceptions

The PC Issues Paper raises exemptions from RIA requirements. Exemptions can be obtained if the matter is a minor administrative or technical matter. It has been Accord's experience that regulatory agencies are able to successfully argue that matters are minor because of the technical nature within which the legislation is based. Accord has had to raise this issue with OBPR on a number of occasions to demonstrate that the changes while appearing to be minor would have had a significant detrimental effect upon industry and as such required a RIS. In some cases we have been successful as the insistence of a RIS has dampened the enthusiasm of the regulator for any such reform at that particular time.

While Accord does not object in-principle to exemptions being considered, this must be done in a fully transparent manner with the affected regulated party able to sign off that it is indeed a minor technical amendment and will pose no detrimental effect on the regulated sector. Only when such assurances can be given to this effect should the proposal be able to go ahead.

We would warn against extending exemptions and exceptions without adequate scrutiny.

Agency capacity
It has been our experience that regulatory agencies have limited capacity to undertake RIAs and RISs. As stated before Accord is of the view that policy areas within Departments should undertake these processes and they should not be left to regulatory agencies.

An issue for agencies undertaking the RIA and industry alike is providing robust quantitative data. Given the size of the Australian market and the known players, often industry is loath to provide too much quantitative data as this could provide evaluable commercial information to competitors.

Effectiveness and efficiency
The Benchmarking Study notes on p25 the various approaches to reviewing regulation to ensure that it remains necessary, effective and efficient. In particular, consideration should be given to mandating that any regulation which restricts competition be supported by more rigorous impact analysis.

Accord has for many years argued that a lighter regulatory touch was required for primary sunscreens and that these products which are generally recognised as cosmetic products elsewhere should have their regulatory treatment harmonised with that of our trading partners and comparable regulatory agencies. As previously stated, in Australia primary sunscreens are regulated to the same level as orally ingested medicines and subject to the same degree of GMP as required for orally ingested medicines. We think that this is too high a level of regulatory intervention as it creates a barrier to trade and prevents the introduction of innovative products available to consumers elsewhere without a demonstrated safety and/or public health benefit.

These are becoming increasingly available to Australian consumers due to the advent of on-line shopping which calls into question the rationale for Australia's high level of regulatory intervention and unique requirements.

In addition to a range of market entry costs for notification of products into the Australian market, companies wishing to import primary sunscreens into Australia generally require purpose build manufacturing sites or are required to run parallel production lines within the same plant and have them audited to a medicines standard GMP. This cost burden has been addressed earlier in this submission.

Regulation as a barrier to trade

Example 5
The regulation of sunscreens in Australia is a good example of the complexity and fragmentation of the regulatory controls for these products which are generally well characterised, low-risk, fast moving consumer goods. The options for change must be considered within the context of the global market and opportunities for export trade as well as taking into account the current barriers to trade.

The internet has expanded consumer opportunities to shop globally. This has provided consumers with the opportunity to avail themselves to the latest products and innovations which local markets may not provide either because:

- regulatory barriers inhibit trade and their introduction
- they are simply yet to reach these markets; or,
- they may never reach these markets as the market's size is simply not large enough to

sustain viable commercial operations.

There are a number of reasons why global companies may choose not to supply product into a particular market – but an overriding consideration is the cost of doing business and the cost of product introduction. Australian consumers currently have internet purchase access to higher preforming sunscreens with SPF of 100+. These products are available for online purchase and are entering the country despite Australia's antiquated legislation to treat them as medicines and keep them to a maximum SPF of SPF 30+. The expansion of online purchasing creates inequality of market access and compliant companies are paying the price through loss of sales and regulatory costs.

Examples of unique Australian requirements which add unnecessary costs are:

- GMP requirements to a medical level equivalent to oral not topical medicine standard
- Testing of excipient ingredients to an oral medicines standard.
- Adoption of unique Australian nomenclature in preference to adopt of internationally recognised nomenclature
- Labelling inflexibility to a medicines stand which deprives consumers of additional information available to consumers elsewhere
- A change of pack size from a 300mL bottle to 350mL bottle now makes a cosmetic product a therapeutic good and is therefore regulated as a medicine.

Members have advised that a significant range of sunscreen products available to consumers elsewhere are not available in Australia due to the overly complex regulatory regime and the costs of bringing these products into an extremely small market with unique requirements.

As far as we are aware, there has never been a RIA undertaken when this decision was originally made, nor has there been any RIA to consider whether this high level of regulatory intervention was required. This process should be subject to a post-implementation impact analysis with particular focus on competition and trade matters.

Accord would argue that Australia's regulatory system is not as efficient and effective as it could be despite efforts to improve the RIA and RIS processes. Better use the RIA process by respective policy agencies and responsiveness to industry concerns as market change would assist in overcoming some of these problems.

Once again, Accord thanks the PC in allowing us the time to make this late submission.

Yours sincerely

Authorised for electronic submission

Bronwyn Capanna
Executive Director

22 June 2012