

The COVID-19 Response Inquiry Panel:
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Dear Panel Members,

Accord provides this submission to the independent inquiry into Australia's response to the COVID-19 pandemic. We are pleased to provide our experience to assist the Panel's examination of what worked well and identify where we can make improvements to enhance our preparedness, so that we have resilient and effective national systems and institutions to manage any future pandemic event.

Introducing Accord and our industry

Accord is the Australian national industry association representing the manufacturers and marketers of formulated hygiene, personal care and specialty products, their raw material suppliers, and service providers. Accord member businesses make and/or market a broad range of consumer and commercial goods that play integral roles in safeguarding public health, promoting personal hygiene, boosting confidence and emotional wellbeing, maintaining comfortable homes and enhancing quality of life, as well as keeping the wheels of commerce and industry turning.

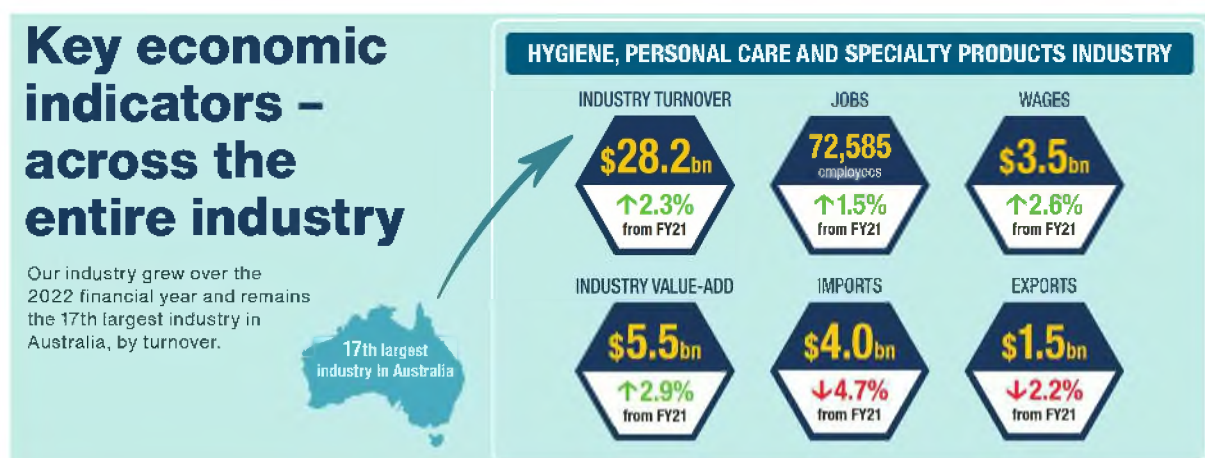
Our member businesses represent a healthy industrial ecosystem of large global multinational enterprises, small and dynamic Australian and family-owned businesses, importers, local manufacturers and exporters. A list of Accord member businesses is available on our website: accord.asn.au/about/members.

The formulated hygiene, cosmetic, personal care and specialty products industry is a significant industry sector manufacturing and/or importing quality chemical-based products to thereby contribute to a prosperous Australian economy. Our industry's products include household and commercial cleaning agents; household and hospital disinfectants; industrial and agricultural sanitisers; adhesives and sealants; and essential personal care/hygiene products like oral care products, hand sanitisers and sunscreens.

Here is a snapshot of our sector's many products:



Our industry sector's economic value and value-add were recently measured by EY with the sector found to be the 17th largest in the nation, having an annual industry turnover of \$28.2B. The sector's headline statistics for its economic footprint are included as followsⁱ:



Accord's specific comments on the Inquiry's terms of reference and relevant policy matters

Accord notes the terms of reference and our feedback focuses predominantly on the following elements:

- Governance, including the role of the Commonwealth Government, responsibilities of state and territory governments, national governance mechanisms and advisory bodies supporting responses to COVID-19.
- Support for industry and businesses (for example, responding to supply chain and transport issues, addressing labour shortages and support for specific industries).

Given the broad range of products within the hygiene, personal care and specialty products industry sectors, Accord's member businesses deal with a very wide range of regulatory systems across Australia; for example, the Australian Industrial Chemicals Introduction Scheme (AICIS), the Therapeutic Goods Administration (TGA), the Agricultural Pesticides and Veterinary Medicines Authority (APVMA), the Australian Competition and Consumer Commission (ACCC), as well as Safework, to name just a few of the federal agencies.

Across Accord's member businesses that are currently engaged in the introduction into Australia of innovative products and technologies, many of which are also globally available, a major barrier they face relates to both the complexity of local regulatory requirements and the ongoing lack of alignment of many Australian regulatory approaches to global best practice.

The complex, duplicative and often unproductive paperwork requirements across a significant range of regulators and government departments vary in scope, nature and constitutional basis; for example, they are often shared between Federal and State/Territory legislation. The complexities are frequently combined with interventions that are not always calibrated appropriately to the actual risk associated with the finished products. The impacts of such existing flaws in regulatory approaches were heightened during the COVID-19 pandemic, when supply chain disruptions and increased needs for specific goods were expected to be rapidly addressed.

Supply chain disruptions were experienced daily by our member businesses, some of which were surprisingly difficult to resolve such as shortages of some excipients, small format packaging, etc. Industry only approached government for assistance with the very difficult and important issues, working to resolve the rest as best we could and finding innovative solutions—where regulations allowed.

The work of regulators, their departmental policy colleagues and of course public servants more generally, is extremely important and is highly valued by our industry and Accord. Unfortunately, direct dialogue—for

example, to expand the understanding of how the regulated industry works, its current challenges and/or how the various regulatory systems could be best improved or tailored to mitigate the key barriers without compromising the fundamental objectives of the legislation—is not always actively sought by these key government stakeholders.

However, we would like to showcase some positive examples of industry/government engagement and more active collaboration that arose as a direct consequence of the pandemic. We hope these could serve as exemplars of the positive outcomes of such engagement and the timely benefits that can be derived.

- The prompt establishment and indeed continuation of the Department of Industry, Science, Energy and Resources (DISER)/Office of Supply Chain Resilience (OSCR) Supply Chain Roundtable was invaluable during the crisis period as it facilitated the sharing of critical information and management opportunities across a broad range of stakeholders simultaneously. The frequently convened virtual meetings of the Roundtable enabled issues to be readily identified and any specific regulators, sectors and/or businesses particularly affected to be more actively engaged.

It enabled efficient and timely dissemination of information and experience, intelligence to be shared and relative policy options and actions to be debated between government and industry, all of which were critical to the stakeholders being able to optimise their respective roles in and responses to the various supply chain issues that arose.

For these reasons, the Roundtable remains important still, in relation to optimising supply chain resilience across all the sectors and across various periods of ongoing stress in the system throughout the post-pandemic years.

- The Therapeutic Goods Administration (TGA)'s performance and responses were similarly impressive during the pandemic period, noting particularly their open access and dialogue with Accord and/or the relevant therapeutic product suppliers experiencing COVID-related supply chain issues—in our case frequently impacting critical manufacture and/or supply of hand sanitisers and disinfectants.

The TGA's flexibility, practical and very timely responses to the key issues identified by our industry throughout the period successfully addressed a range of issues, for example:

- ingredient supply shortages (e.g., emollients) and the development of a new streamlined regulatory path for products meeting the WHO hand sanitiser monograph ensured that a range of vital products were kept available.
- development and introduction of acceptable test methodology for COVID claims for disinfectants in close dialogue with industry experts enabled businesses to formulate and supply with speed and confidence.
- permitting claims for effectiveness against COVID on approved products and providing a list on the TGA's website to assist consumers and businesses in finding and using appropriate products was extremely valuable and transparent.
- higher profile regulatory compliance activity and the publication of the outcomes served to maintain both public health and industry confidence in the products that were available.

We would add that it was also our experience during the pandemic—dealing with such a plethora of regulatory systems and the range of guidance developed—that a more timely and relevant solution and information was more frequently developed where the federal agency and/or a single department took the lead to actively engage with the relevant industry, for example by tapping into contemporary expertise and experience and addressing the multiple issues as they arose across the period, even where the legislative power may have been held across many, such as states & territories.

Accord notes that there are now moves to embed the concept of *continuous improvement* in Australian regulation, partly through adoption of the concept of *regulatory stewardship* into the Australian Public Service (see www.regulatoryreform.gov.au/priorities/regulatory-stewardship). This is an initiative we fully support, and we applaud the Government for developing and implementing this measure.

We also welcome news within the recently released Mid-year Economic and Financial Outlook (MYEFO), that the Government has committed to supporting the Simplified Trade System work to reduce red tape, duplication and barriers to two-way trade. Also welcome is the announcement of a Revitalised Regulatory Reform Agenda. This will commence from mid-2024 and funds have been allocated over three years to 'drive (regulator) integrity and innovation, ensure regulation is fit-for-purpose in a digital era, protect against regulatory failures and improve productivity'.

While you would imagine such initiatives would ensure that proper engagement and consultative processes are included within the fundamental functioning of all of Australia's regulatory systems and across the public service, this has not been our experience with other such programs. Rather, we find that often the confidence and regularity with which regulators or departments engage with their regulated businesses is frequently *ad hoc*, and key person dependent. Nor is the contemporary expertise and experience held within businesses routinely recognised.

We therefore welcome the Panel's consideration of the need for increased engagement and collaboration between all levels of government, regulators and industry, and to explore mechanisms to embed such cultural change, to better ensure that Australian policy and regulatory approaches align to further strengthen our combined responsiveness and resilience in the face of any forthcoming crisis and/or further pandemic.

On behalf of Accord's member businesses, the opportunity to provide this submission and our views on this important issue is greatly appreciated. We wish Panel members well in their deliberations during this Inquiry.

Yours sincerely,

<Unsigned for electronic transmission>

Bronwyn Capanna
Executive Director

¹ EY Report - <https://accord.asn.au/about/economic-state-of-the-industry-report/>