

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2008 No. 82**

Issued by the Authority of the Minister for Competition Policy and Consumer Affairs

*Trade Practices Act 1974*

*Trade Practices (Consumer Product Information Standards) (Cosmetics) Amendment Regulations  
2008 (No. 1)*

Subsection 172(1) of the *Trade Practices Act 1974* (the Act) provides, in part, that the Governor-General may make regulations not inconsistent with the Act, prescribing all matters that are required or permitted by the Act to be prescribed or are necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Subsection 65D(1) of the Act provides that a corporation shall not, in trade or commerce, supply goods that are intended to be used, or are of a kind likely to be used, by a consumer, if there is a consumer product information standard for those goods and they do not comply with that standard.

Subsection 65D(2) of the Act provides that a regulation may, in respect of goods of a particular kind, prescribe a consumer product information standard consisting of such requirements as are reasonably necessary to give persons using the goods information as to the quantity, quality, nature or value of the goods. These requirements may relate to, among other things, performance, design, or construction of the goods.

The *Trade Practices (Consumer Product Information Standards) (Cosmetics) Regulations 1991* (the Principal Regulations), sets out a mandatory consumer product information standard for cosmetics including requirements on how information about ingredients is to be displayed on the label of a cosmetic product.

The purpose of the Principal Regulations is to address a previous market failure whereby consumers did not have sufficient information about cosmetic ingredients displayed on the label to avoid, and/or obtain timely treatment for, adverse reactions caused by some cosmetics.

The purpose of the amendments to the Principal Regulations is to update the definition of *flavour* and its synonym *aroma*, so as to adopt the definitions which are used in the International Cosmetic Ingredient Dictionary. Using these definitions (instead of the current definition), would help establish universally understood meanings of flavour and aroma when used in cosmetic products.

Details of the Regulations are at [Attachment A](#).

A full regulatory impact statement (RIS) process has been conducted to consider this minor change and other possible amendments to the Cosmetic Regulations. The peak industry body in Australia for cosmetics requested this minor change be made. The amendment to the definition of flavour and aroma is the only amendment considered necessary and this change is considered to have little impact on suppliers or consumers of cosmetic products.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*. For the purposes of section 17 of the Act, consultation undertaken in relation to the Regulations is detailed in the Regulation Impact Statement which is at Attachment B.

The Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

**Details of the *Trade Practices (Consumer Product Information Standards) (Cosmetics) Amendment Regulations 2008 (No. 1)***

Regulation 1 – Name of Regulations

This regulation provides that the name of the Regulations is the *Trade Practices (Consumer Product Information Standards) (Cosmetics) Amendment Regulations 2008 (No. 1)*.

Regulation 2 – Commencement

This regulation provides that the Regulations commence on the day after they are registered.

Regulation 3 – Amendment of Trade Practices (Consumer Product Information Standards) (Cosmetics) Regulations 1991

Schedule 1 amends the *Trade Practices (Consumer Product Information Standards) (Cosmetics) Regulations 1991*.

Schedule 1 – Amendments

**Item [1]** before the definition of container in regulation 3, inserts a definition for *aroma*.

**Item [2]** replaces the definition of *flavour* in regulation 3 with another definition of flavour.