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Treasurer, Deputy Chair Expenditure Review Committee  
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## Expenditure Review Committee

Dear Expenditure Review Committee,

I write on behalf of Complementary Medicines Australia (CMA), the peak body representing a thriving medicines sector supporting Australian jobs, research, manufacturing and exports by meeting community demand for preventative and complementary healthcare. The sector in Australia is a highly capable manufacturing industry required to comply with pharmaceutical (PIC/S GMP) requirements including regular inspections, and strict mandatory pharmacopoeial and TGA quality standards.

CMA provided a detailed submission to Treasury on 31 January 2020, outlining key recommendations for the government to invest into the complementary medicines sector and which would deliver substantial health and economic benefits. Significantly, there is enormous untapped potential for complementary medicines to contribute to the Australian economy in terms of both cost savings to the health system and fiscal contribution. The complementary medicines industry is, under a supportive framework, one that has the ability to grow exponentially and support local manufacturing, as well as provide a significant contribution to our exports.

As the ERC consider new policy and savings proposals and recommends to Cabinet proposals to be included in the Budget, CMA would like to highlight key recommendations from its original submission for further consideration.

### **Investing in complementary medicines manufacturers – Made in Australia**

CMA congratulates the Government on its concerted effort to implement amendments to Australian Consumer Law to establish robust country of origin labelling laws for Australian made complementary medicines. The amendment lays the foundation for Australian made complementary medicines to regain access to a safe harbour Australian origin claim and to the 'Australian Made, Australian Grown' logo - the iconic kangaroo in a triangle symbol.

In February 2019, the Governments' country of origin taskforce highlighted the importance of origin labelling to the Australian community while also acknowledging the high level of concern from the complementary medicines sector, with the loss of Australian origin labelling. The report outlined the immense faith consumers placed in an Australian origin claim and indicated that labels featuring an Australian origin claim, together with a bar chart or a statement indicating the proportion of Australian ingredients, best conveyed this information.

To allow the changes to country of origin to be effectively implemented with minimal red tape as possible, the complementary medicines industry supports the yet to be developed Information Standard accompanying the legislation to include an option for a label statement such as 'Made in Australia from local and imported ingredients' (or words to that effect), as opposed to a mandated bar chart or visual representation of the portion of Australian ingredients.

The 2016 changes to the *Competition and Consumer Amendment (Country of Origin) Bill*, were primarily intended to simplify the tests used to justify a country of origin 'made in' claim by clarifying what substantial transformation means and removing the 50 per cent production cost test. The re-introduction of a test on the portion of ingredients deriving from Australian sources for the complementary medicine sector would have the opposite intended effect, bringing back complexities and lead to confusing messages around the meaning of 'Made in'

Australia versus 'Grown in' Australia. The option to include a label statement, as above, is cost-effective and is in line with the additional transparency desired by the community and the spirit of consumer affairs ministers' intentions.

### **National Preventive Health Strategy**

CMA supports the call to re-establish a National Preventive Health Agency. Such an investment should seek to evaluate natural and complementary therapy interventions at a population level, an important step towards placing good health at the centre of policy making in Australia. A fundamental aim of health policy should be to prevent disease and reduce ill health so that people remain as healthy as possible for as long as possible. Such considerations are more relevant than ever as the country seeks to recover from COVID-19 pandemic, both economically and through health policy. Australia is uniquely positioned in the world to capitalise on our research and manufacturing capabilities to demonstrate and better understand the value of traditional and complementary healing systems to Australia's diverse community.

Preventive health is also an essential move towards improving the cost-effectiveness of the health care system, by enhancing Australians' health and quality of life, and reducing preventable illness. In the case of complementary medicines, a thoughtful and rigorous strategy, coordinated by the preventive health body, would further demonstrate the cost-effectiveness and health benefits of complementary medicines for contributing to improved public health.

CMA supports targeted funding for AgriFutures to work with the Australian complementary medicines industry, supporting additional research and commercialisation to fully capture the opportunity of locally grown ingredients.

### **Medicines regulator to develop an IT digital infrastructure**

Under the Medicine Reforms, the TGA established a list of 'permitted indications' from which sponsors must exclusively draw from when listing an AUST L product on the ARTG. This, among other changes to eBusiness, has led to an increasingly overwhelmed, extremely slow and unpredictable IT system. For businesses that routinely update numerous listings, the loss of productivity from IT glitches can be significant. In response to the changing business environment, innovation to improve business processes through the better use of the data provided by stakeholders and improved data analytics is required.

CMA supports TGA's commitment to an ongoing program of business improvement focussed on transparency of regulatory decision-making, increased efficiencies in business processes and a more strategic approach to the use of information technology to support regulatory operation. To give effect to this intent, additional resources are required for Australia's medicines regulator to develop an IT digital infrastructure that supports changing business and user needs. Additional investment from Health's budget reserves could be allocated to the TGA to modernise their existing legacy systems to build a more agile, integrated system that would better serve the changing business and security needs of its users.

We thank you for consideration of the above recommendations.

Yours sincerely,



Mr Carl Gibson  
Chief Executive Officer  
Complementary Medicines Australia

Attachment A – [CMA Pre-Budget Submission, 30 January 2020.](#)