



# Australian Made Campaign Ltd

## ELIGIBILITY FOR ORIGIN CLAIMS IN THE COMPLEMENTARY MEDICINES SECTOR

Submission on the Consultation Regulation Impact Statement for the Legislative & Governance Forum on Consumer Affairs, published by the Department of Industry, Innovation and Science on 3 October 2019

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AMCL supports the Government's announced intention to restore access to the Made in Australia claim and the AMAG logo for complementary medicines manufactured in Australia in production facilities regulated by the TGA.

AMCL has already provided extensive feedback on this issue, particularly in our January 2019 submission to the Complementary Healthcare Sector Country of Origin Labelling Taskforce. In this submission, we will confine our comments to the options listed in section 6 of the RIS.

## OPTIONS

Options	Description
Option 1	Status quo
Option 2	Industry-led regulated branding
Option 3a	Complementary medicines manufactured in Australia are eligible to use the AMAG logo
Option 3b	As per Option 3; plus a statement on the packaging listing that the ingredients are imported
Option 3c	As per Option 3; plus a visual representation of the proportion of ingredients that are imported.

### Option 1 – Status quo

AMCL does not support retention of the status quo. The 2017 changes to the ACL, in particular the new definition of substantial transformation, have had unintended, adverse consequences on the complementary medicines sector by denying Australian manufacturers access to the Australian made claim and, consequently, the AMAG logo.

In our submission to the Complementary Healthcare Sector Country of Origin Labelling Taskforce, we raised concerns about the ACCC guidelines issued in March 2018. AMCL's position is that these guidelines are illogical, inconsistent and incomplete, have exacerbated the impact of the ACL changes and should be withdrawn or thoroughly reviewed.

### Option 2 – Industry-led regulated branding

AMCL does not support this option for the reasons given in the RIS – “The establishment of a new logo or trade mark may provide consumers with origin labelling, however a new logo would take considerable time and investment before consumer recognition of the logo was satisfactory.”

We also have difficulty envisaging what words this new brand would use, given that products carrying it would be unable to make a definitive origin claim. The “Processed in a TGA-licensed Australian facility” logo?

### **Option 3a - Complementary medicines manufactured in Australia are eligible to use the AMAG logo**

AMCL endorses a regulatory solution which will clearly specify that complementary medicines will satisfy the substantial transformation test where the 'manufacture of dosage form' step has taken place in an Australian TGA-licensed facility.

AMCL does not support any solution which sets up an alternative test to substantial transformation for such products. Such a solution would require changes to the AMCL Code of Practice, in particular Rule 20 (b) which specifies that use of the AMAG logo with the Australian Made descriptor requires that the good must be last substantially transformed in Australia (as defined in subsection 255(2) of the ACL).

AMCL is of the belief that implementation of Option 3a is unlikely to result in devaluing the AMAG logo. As discussed in the RIS, the logo is not widely used on complementary medicines sold in Australia. Australian consumers are not strongly interested in country of origin for this type of product, with price and brand being the primary purchasing drivers. It is in export markets where the logo is most valued. In countries such as China with a history of product contamination, products from Australia are valued by consumers who perceive the products as safe and high quality, largely because of TGA regulation. Reports from our licensees and former licensees indicate that the removal of the logo has damaged confidence in the products and led to reduced sales overseas.

### **Option 3b - As per Option 3a; plus a statement on the packaging listing that the ingredients are imported**

### **Option 3c - As per Option 3a; plus a visual representation of the proportion of ingredients that are imported**

AMCL does not support either of these options for the following reasons:

- These options would result in additional costs to businesses
- The potential complexity of implementing a regulatory solution – would this require an information standard like the food labelling standard or amendment of the TGA labelling requirements? Amendment of the AMAG logo rules?
- Food has its own COOL requirements – this was driven by widespread consumer concern over food labelling; there is no evidence of such concern over complementary medicines. It seems unfair to require a higher level of disclosure from this industry than from other non-food industries
- Given that most actives for complementary medicines are not manufactured in Australia, it would unnecessarily penalise Australian manufacturers to require them to draw attention to this fact, while at the same time fully imported products are not required to carry a country of origin statement.