




ANNUAL DIRECTOR'S REPORT

2021



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2025 Healthy Industry Healthy Future

Complementary Medicines Australia (CMA) is the peak industry body for the complementary medicines industry representing manufacturers, raw material suppliers, distributors, consultants, retailers, allied health professionals and educators.



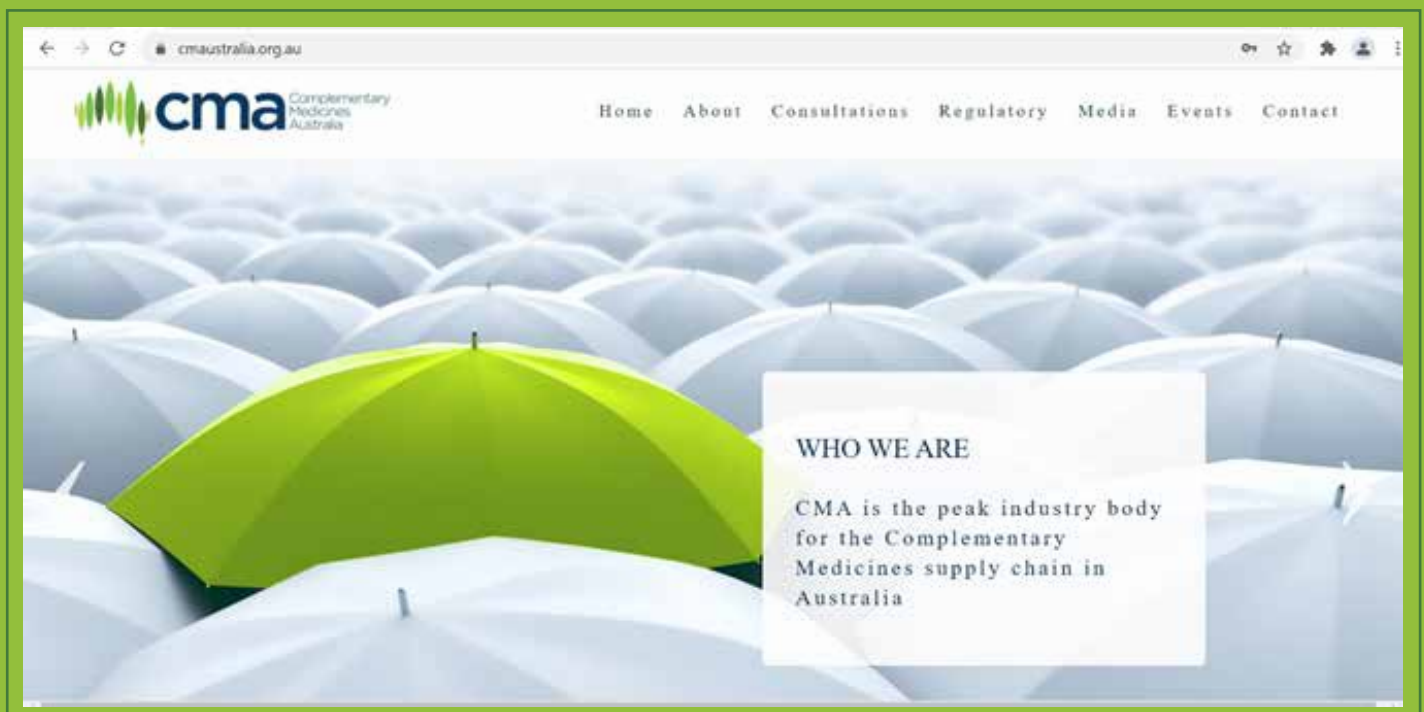
Vision

Promoting the manufacture and supply of world class complementary medicines and health foods in Australia.



Purpose

Promoting a viable and sustainable industry that plays an integral role in preventive health.



OVERVIEW

We are pleased to present CMA's Director's Report for 2021. It highlights the organisations achievements and activities across the key areas outlined in the organisations Strategic Plan: Healthy People, Healthy Future 2021-2025.

This year, despite the continued challenges of COVID-19, CMA strengthened its reputation as the leading peak body for the sector. We are particularly proud to bring more members and partners together to invest in the high-quality complementary medicines industry and to deliver better outcomes for the Australian industry, government, and the broader community.

In adapting to the forward direction of the industry and our member's needs, we have diversified our expert member committees and working groups. The Scientific Advisory Working Group (SAWG) forms part of our strategy to discuss, respond and resolve key scientific issues that affect the industry in positive and informed ways. These areas include leveraging our strategic and technical capabilities to highlight industry's scientific position including; industry-wide safety or efficacy issues; scheduling matters relating to complementary medicine substances; policy issues relating to clinical trials, clinical research, and pre-assessed (AUST R or AUST LA) complementary medicines as well as other scientific affairs of a policy, technical or regulatory nature that affect the industry.

The Sports Supplement Working Group (SSWG) has been reinvigorated to respond to the Food Standards Australia New Zealand (FSANZ) call for data on substances used in contemporary sports foods (P1010). Sport supplements featured as a top trending category in the 2021 CMA Industry Audit, with demand consistently growing over the last 10 years and representing \$1.4 billion in revenue during 2020-21. This demonstrates the wide and increasing use of sports supplements and highlights the importance of required changes to Standard 2.9.4. and related Schedules (S17; S29), to meet the Australian manufacturing industry and consumer need for reasonable levels of ongoing access and for the industry to remain globally competitive.

CMA's Digital Commerce Committee has been established to oversee, analyse and address the emerging e-commerce environments in the context of inbound and outbound market access, and to address relevant regulatory and trade considerations with market development and industry best practice. The committee contributed to our Australian digital presence at the Healthplex Expo, which was held in the National Exhibition and Convention Centre (NECC) in Shanghai on 23 - 25 June 2021. Healthplex is the largest Natural & Nutraceutical Products trade show in China. For this event, CMA partnered with Austrade and the China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE) to provide a digital presence and access to business connections showcasing the best of the Australian industry. The Committee also contributed to a submission to the ACCC's Digital Platform Services Inquiry: Report on general online retail marketplaces.

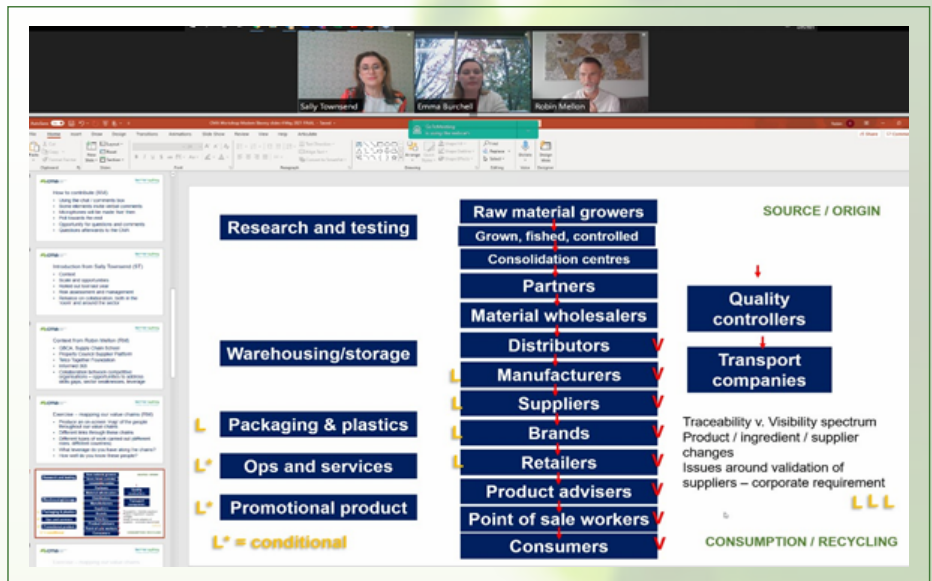


CMA SUSTAINABILITY PLAN - PARTNERING FOR A POSITIVE GLOBAL IMPACT

The CMA's Sustainability Committee are focused on developing an industry strategy for sustainability aligned with the UN Sustainable Development Goals (SDGs). We look at the increasing importance of a healthy environmental, social and governance (ESG) strategy and how a mature approach can help businesses overcome some of the critical issues facing the sector.

The CMA's Sustainability Strategy, *Partnering for a Positive Global Impact*, received Board endorsement and will form part of the 2022-2025 ongoing work plan as it is rolled out.

CMA's Modern Slavery Working Group is a subcommittee of the Boards' Sustainability Committee. The group convened in light of the *Modern Slavery Act 2019* to provide leadership and education and to develop a practical tool to assist CMA members with their oversight role of modern slavery risk in their operations and supply chains. The Modern Slavery Guide, which is available on the CMA website here, <https://www.cmaustralia.org.au/cma-guidelines> aims to assist members to ensure ethical supply chains while making it easier for suppliers to do business with Australian companies in accordance with the Act.



Modern Slavery Workshop, May 2021

The timeline of events (page 16) shows that the CMA has led and contributed to key gatherings despite the challenges of lockdown and helped to determine strategies and solutions to improve management of critical issues regarding preventive health in Australia.

Our campaign to the Medical Board of Australia (MBA) addressing their 2019 proposal for “Clearer regulation of medical practitioners who provide complementary and unconventional medicine and emerging treatments”, received over 12,088 submissions and successfully resulted in the MBA reconsidering their preferred course of action.

On 16 February 2021, the MBA announced they will not change the existing professional standards framework in relation to patients seeking care from medical practitioners who provide complementary and unconventional medicine and emerging treatments. A major win for the industry and enhanced consumer freedom of choice.

It was strategically important that the campaign succeeded in generating enough public awareness and pressure to halt the MBA’s preferred option of restricting healthcare providers, which would have segregated and stigmatised the valuable offering of complementary medicine treatments to the community.

“

In effect, the solution we had proposed did not match the problem we were trying to solve and the labels we used – complementary and unconventional medicine and emerging treatments – were not helpful in defining the level of risk posed to patients

Dr Tonkin said (MBA Chair)



This year’s forward timeline will see a unique milestone in 2022. We will be celebrating our 50th Anniversary of the company’s formation and the significant achievements that we can all celebrate as a community.

With so much activity and reporting, it’s easy to overlook the large and meaningful changes that have occurred since CMA’s inception. Taking a step back, the full breadth and reach of the company in 2021 is evident.

PRESIDENT'S REPORT



IAN CHANT

Resilient and Strong

(CMA Board Director and President 2012-2021)

The recent challenges of the 2019-20 Australian Bushfires and the continued impact of COVID-19 pandemic have meant our spirit and our resilience has been challenged like never before. With any challenge though, opportunities present themselves and what has heartened me is to see our industry support our community, challenge supply chain assumptions and pivot operations to be acknowledged as a National Modern Manufacturing priority

area for growth, a growth that has the potential to deliver long-term transformational outcomes for the Australian economy.

What a way to celebrate my last year as your President. It has been an honour and a pleasure serving the last nine years on the CMA Board with my fellow directors. I am particularly proud of the commitment and dedication of our Board Directors in setting the tone from the top, overseeing the strategy and through our expert committees and working groups the secretariate has been able to achieve and exceed the work plan.

In summing up some observations over the past years, there is a wealth to reflect upon.

The Board and Executive of the CMA have provided excellent leadership and today we see many executives come together to work on numerous expert committees that strengthen our industry and provide significant consumer benefits.

Our sector supports a 30,000 strong work force, that builds a 5.6-billion-dollar industry with a \$1.2 billion export market. Australian manufacturing being a key tenant of a thriving economy and a healthy jobs market in Australia.

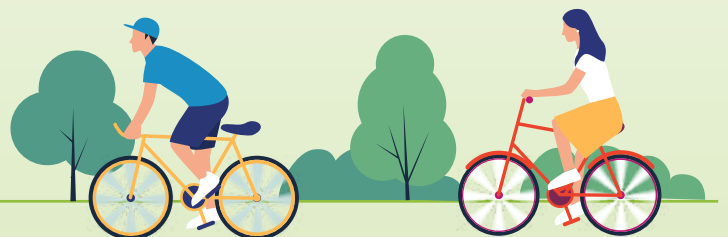
The industry has leveraged its high quality reputation to create over a \$1.2 billion exports sector annually, an area that has remained resilient and strong in the face of a global pandemic and will continue to diversify its market opportunities.

The pandemic has seen a move more towards e-commerce and the existence of global brands through these platforms. Therefore, it has been important for CMA to establish a digital commerce committee and to participate in our overseas events via a digital engagement program.

Changes to the regulatory landscape have led to more raw materials for our sector becoming available through the regulators exclusivity arrangements.

Protection for efficacy data from clinical studies has been another ground-breaking milestone for listed medicines.

The CMA's Vision, "Healthy People, Healthy Future" continues to provide us with a clear path forward for the industry, incorporating sustainability into its ambitious blueprint.



I see this as a watershed moment, our industry will continue to work with regulators to address illegal, and in some cases lower quality products, to ensure that our consumers continue to get the best available health options. It has been an honour serving as President of Complementary Medicines Australia. I am confident that as I hand over the baton, our industry is in good hands and will be guided into a prosperous and healthy future.



CMA's Digital Mini Program and Award Healthplex Expo
23-25 June 2021 Shanghai, China.

CMA'S PURPOSE, VISION AND STRATEGY

Complementary Medicines Australia



Who we are

CMA is the peak industry body for the Complementary Medicines supply chain in Australia.

Our Purpose

Promoting a sustainable, vibrant industry that plays an important role in preventive health and wellbeing.

Our Vision

To promote sustainable manufacture and supply of world class Complementary Medicines and Health Foods in Australia.

Healthy People Healthy Future 2025

Our vision 'Healthy People Healthy Future 2025' is for improved wellbeing through education and information on the quality use of complementary medicines, to enhance a robust complementary healthcare industry and to support ethical and responsible supply chains.



Our Strategy

CMA's Strategic Plan 2020-2025 envisages the peak body harnessing its leading role in the industry to forge pathways globally for the advancement of the sector and to deliver long-term and sustainable value creation.



VICE PRESIDENT'S REPORT



PAULA HANN

Passion is at the heart of what we do

This year we have seen Australia continue to battle against COVID-19. Half of our country has been in lockdown for a large part of the year as we work towards getting the community vaccinated.

The complementary medicine community has continued to demonstrate its resilience. Resilience is perhaps an overused word, but it is very apt in describing an industry that has continued to take the knocks and find a way to bounce back.

Many sectors in the industry have continued to see strong demand for complementary medicine as COVID-19 highlighted that without our health, we really have nothing. The CMA's 5 year strategy is "Healthy People, Healthy Future"; our role in preventive health has perhaps never been more important and I am excited to see how our healthy future will unfold.

The CMA and its expert committees have continued their extraordinary work in ensuring Australian's have access to and benefit from a strong and innovative industry that delivers high quality, safe complementary medicines. This is such important work and I am always impressed by the knowledge and passion of our Board.

As part of my work on the Board I am also a proud committee member of OneCAM, a sub-committee of the CMA. OneCAM is a representative group of the majority of Australian complementary medicine practitioners and natural therapy industry associations under one united voice. OneCAM is still in its early days, however it's heartening to see the natural therapies community coming together, working collaboratively for the benefit of all - with a motto that "we are stronger together".

The OneCAM steering committee has continued to assist with the Department of Health's Natural Therapies Review. Together we have been working, along with the CMA and other associations to provide valuable data to assist with the re-instatement of private health insurance rebates for natural therapies. Of course COVID-19 has delayed this review and we look forward to the results of this work in the future.



I have enormous gratitude for the CMA secretariat and to my fellow Board members for their continued dedication to our purpose, and to all in our industry who work so tirelessly. I would like to give a special appreciation to outgoing President, Ian Chant. Ian has served nine years on the board, has been a dedicated and knowledgeable stalwart of the industry and is just a genuine, generous, gentleman who is always happy to help and share his knowledge. Ian is a shining example of leadership, establishing a CMA crisis committee on the onset of COVID-19 to ensure oversight of industry throughout this critical time. Thank you for your extraordinary service Ian.

All of us were looking forward to the end of 2020, and now I think many are understandably looking forward to the end of 2021. Perhaps we are counting our blessings that this amazing industry has continued to survive, and for some thrive, during one of our lifetimes most significant trials. We will come out of 2021 a little bit weary and maybe not where we planned to be, but we should all be very proud to work in an industry that truly makes a difference to the quality of people's lives, and grateful that we can continue to do our important work.



OneCAM Steering Committee 2020

Daniel Baden, Kristy Hollis, Peter Berryman, Paula Hann, Emma Burchell, David Casteleijn and Ron Ehrlich (right to left)

TREASURER'S REPORT



BEN ROWE

Navigating through the COVID-19 Storm

This has been a year like no other, unless of course you include the prior year. No one expected that the Pandemic would create such a storm or go on for so long. Every business has been impacted and every business has had to chart a course through this journey.

Our Association is weathering the storm, thanks to strong, stable, financial stewardship.

Complementary Medicines Australia owes our financial success to the groundwork put in place by my predecessor, CMA Treasurer John Baker. Under John's financial stewardship the Association is in a strong financial position, enabling us to weather the storm from the Pandemic. John passed away on 10 August 2021, aged 83. He was a father, businessman, golfer, charity supporter and industry stalwart – and he was our friend and will be missed greatly. Vale John Baker.

John always reminded us that Complementary Medicines Australia is a 'for purpose' organisation; our aim is not to make a profit but to invest your membership fees into services that will protect and grow the complementary medicines industry.

This has been a challenging year, we continue to see industry events, seminars and international expos being cancelled or postponed. With the international borders having been closed now for nearly 2 years we have had to adapt in order to maintain our international profile. At this year's HNC HealthPlex in Shanghai, the most important Expo in our region, CMA partnered with Austrade and the 'Made in Australia' campaign to run a mini program and digital presence. We hope to run an Australian Pavilion again in 2022.

CMA has been working hard on developing the ground-breaking 'My Appointment' initiative. A practice management software solution for practitioners, that will help them manage their businesses more efficiently and provide them with inventory management. We are still in the early stages of launching, but I am pleased to advise that we have developed, tested and now launched the platform. We are really excited as 'My Appointment' will revolutionise the way natural therapy practitioners run their businesses and provide them with a payment gateway, client management and in-built marketing tools.

Delivering a Balanced Budget

Last year I reported that CMA successfully delivered the services to members in the work plan with a small loss of \$18,911. That was an incredible result given all the challenges.

This year my task was to mitigate that loss and deliver a balanced budget. I am very pleased to advise that with good financial stewardship we were able to deliver more services to our members; including additional regulatory resources to assist with the changes to sports supplements, whilst delivering a profit of \$27,000.

Our membership base remains stable, and we are truly grateful for your continued support during these difficult times. CMA is helping our members every day, navigate through the new regulatory pathway. Ensuing our supply chain continues to operate with imports of world class raw ingredients and exports of our high-quality complementary medicines. Whilst addressing challenges from industry sceptics and fringe groups.

I am grateful to the CMA Team particularly Carl and CMA's Head of Finance Carol Miller for all their help and support during the year.

CMA is delivering for our members today and every day, whilst preparing to chart a course for the future. We are in a strong position with members funds increased to \$775,934 allowing us to continue to deliver and enhance services to our members.

Our consumers rely on complementary medicines for their preventive health and together we help them live happier and healthier lives – and that's our joint purpose, and that's why we can all be so proud of our industry.



Vale John Bake: John was awarded the **Lady Cilento Award in 2019** for a lifetime of outstanding achievement and inducted as a **Life Member**.

CHIEF EXECUTIVE'S REPORT



CARL GIBSON

Complementary Medicines a National Modern Manufacturing Priority

Complementary Medicines Australia has been proud to support you, our industry, through the challenges of the COVID-19 pandemic and are privileged to see how the sector has pivoted its operations to take advantage of an Australian Made supply chain and its world class capabilities. This has been demonstrated with our members producing essential preventive health therapeutic products, Personal Protective Equipment and hospital grade sanitisers and being recognised as a national modern manufacturing priority for future development. I am so

proud that our industry rose to the challenge and continues to make a vital and essential contribution to what we have termed 'business as unusual'.

We are delivering on our work program built on our five-year strategy 'Healthy People Healthy Future 2020-2025'. We know that responsible marketing and supply of high-quality products is fundamental to the goal of the Australian complementary medicines industry and essential to the health and wellbeing of our consumers.

As an industry we are used to challenges, but no one ever expected a once in a century Pandemic. In the early stages, it was important for our industry to be classified as 'essential' so we can keep factories producing therapeutic products and retail and health food stores open to provide excellent and essential healthcare advice. We have always maintained our industry is dynamic and a good corporate citizen, led by the heart for the good of consumers.

CMA published our latest 2021 Industry Audit and reported that our industry is an important part of the Australian economy generating \$5.69 billion in sales revenue. Our Vitamin & Dietary Supplements category has seen growth of 55% from 2014-2019. Australian complementary medicines continue to lead the world in terms of high quality, safety and effectiveness. Our export markets continue to go from strength to strength growing from \$175 million in 2014 to \$1.1 billion in export value in 2019. CMA continues to support existing export markets and in line with our work program, extensive planning in diversifying our export market strategy is now underway.



AUSTRALIA'S COMPLEMENTARY MEDICINES

INDUSTRY AUDIT 2021

BUSINESS AS UNUSUAL



We have been very fortunate to host our February **Conference and 21st Industry Awards**, a highlight on our annual calendar. This year's theme 'Resilience and Championing Change', touched on a diverse speaker program designed to engage and probe deeper into the sectors future capabilities. Congratulations to all the award winners for setting incredibly high standards for our industry and leading the way. And to our major conference sponsor Swisse and Awards Sponsor Ferngrove Pharmaceuticals Australia.

In May we once again came together to host our **Innovation Seminar and Supplier Expo**, which saw an impressive member engagement in the 'Destination Innovation' theme. We are grateful for the incredible speakers and support of our sponsors in being able to offer an extensive exhibition and well-rounded speaker program that sparked the drive for our Australian made capabilities.

While many traditional events had to be postponed or cancelled throughout the reporting period, CMA took the opportunity to host a series of member-only webinars. **Taming the Tiger -The China Opportunity**, saw us work in partnership with the China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE), to host a multi-part series of online China seminars. We were pleased to have the support of Austrade and the Australian Made Campaign Limited in bringing this series to you, which saw almost 200 members engage in the program helping you access the Chinese Nutraceutical and Health Industry Market. Additional webinars for members included Dr Ross Walker on heart health with Ubiquinol and a Modern Slavery Risk Workshop co-hosted by Robin Mellon and Sally Townsend.

TIMELINE OF EVENTS

Timeline of Events 2020-21

Dec 196 Attended

Taming the Tiger : The China Opportunity 4-Week Webinar Series

Feb 200 Attended

CMA National Conference: Resilience & Championing Change

Apr 40 Attended

Dr. Ross Walker Webinar: Get the Heart Pumping with Ubiquinol



Keynote speaker Charlotte Rush Inventiologist from Inventum



Prof Alan Bensoussan, National Institute of Complementary Medicine - Let's Get Clinical with AUSTL(A) and Data Protection

Timeline of Events 2020-21

152 Attended May

CMA Innovation Seminar & Supplier Expo: Destination Innovation

27 Attended May

CMA Industry Sustainability Workshop: Modern Slavery Risk

71,107 Visitors Jun

Healthplex Expo NECC (Shanghai), China Australian Digital Pavilion

Australia has a progressive, world leading regulatory framework and is currently transitioning into new reforms. CMA continues to support our members in adapting to the new framework and associated compliance. Our Regulator, the Therapeutic Goods Administration (TGA), has published extensive consultations during the year and updated sector guidelines inline with the closeout of the expert Review of Medicines and Medical Devices Regulation (MMDR) reform recommendations. In response to changes to the regulation of sports supplements, including a review by Food Standards Australia New Zealand (FSANZ) into this area, CMA has established a Sports Supplement Working Group to make optimal advances for the sector.

The CMA Board of Directors all volunteer their own time for the good of the industry and I thank each and everyone of them for their valuable contribution, counsel, and service. It is with heartfelt thanks that we say farewell to our President & Chairman Ian Chant, who has served his maximum term and led the board and industry through such critical times, thank you Ian you will be missed.

We will also be saying goodbye, or au revoir to Daniel Baden (Biomedica Nutraceuticals) at the Annual General Meeting who is stepping down from the Board.

Sadly, we say Vale to John Baker to our former Treasurer and industry stalwart who sadly passed away in August 2021. John was a true gentleman a strong family man, with strong connections to the local Blue Mountains business community. He was a previous Finance Director, NutriVital Director and Chairman of Go Vita and was recognised as a Go Vita lifetime member in 2013. In 2019 John was awarded the Lady Cilento Award – the complementary medicines industry's most prestigious award, recognising a person's lifetime of outstanding contribution to our industry. John was incredibly active with CMA, serving on the Board for an initial nine years, and then after a break, coming back and serving a further nine years. He also served as the Chairman of the Finance and Audit Committee and the CMA's Treasurer. We wouldn't be where we are today without you John.

During this reporting period, we welcomed new Board Directors Andrew O'Keefe (Vita Life Sciences) and Zephania Jordan (PharmaCare) and re-elected the following Directors; Paula Hann as VP (Metatenics ANZ) and John O'Doherty (Blackmores Group) and we thank them for their valuable contributions in protecting and growing the industry.

My thanks also to the whole complementary medicines sector for the valuable and essential services you provide to the community each and every day. We truly hope that it won't be too much longer before we can all meet again and share our stories and renew friendships.

Finally, a huge thanks to the CMA Team; Emma, Lucy, Carol, Miho, Alice, Natasha, Ravinder, Amanda, Cameron and Gerry who do so much for our members and the industry every single day.



CMA BOARD OF DIRECTORS



PRESIDENT

Ian Chant

General Manager: AkerBioMarine



VICE-PRESIDENT

Paula Hann

Managing Director: Metagenics ANZ



TREASURER

Ben Rowe

CEO: Brauer Natural Medicine



Daniel Baden

Biomedica Nutraceuticals
Director Innovation



Michael Bracka

Chief Executive Office Integra



John Bylicki

Go Vita Stanthorpe



Rachel Carter

Head of Sales Soho Florids Int



Gulhan Demirci

Product Development and Innovation
Manger Lipa Pharmaceuticals



Zephania Jordan

Chief R&D and Quality
Officer Pharmacare



John O'Doherty

Head of Public Affairs
Blackmores Group



Andrew O'Keefe

Vita Life Sciences
Managing Director



Michael Osiecki

Managing Director
BioConcepts



Simon Potheary

Chief Operating Officer
Fiji Kava



Justin Howden

Co-opted Director:
(Swisse H&H Group)

CMA SECRETARIATE TEAM



CHIEF EXECUTIVE
Carl Gibson



DIRECTOR OPERATIONS
Emma Burchell



Head of Finance
Carol Miller



Head Regulatory Affairs
Lucy Lang



Export & Industry Development
Miho Kikuchi



Corporate Communications
Ravinder Lilly



Regulatory Assistant
Amanda Ferguson



Sport Supplement Development
Cameron Thorpe



Advocacy Director
Gerry Dendrinis



Membership Development
Natasha Flynn



Events & Marketing
Natasha Flynn a/g
(Maternity Leave
Alice Callaghan)

REGULATORY AFFAIRS REPORT

Healthy Regulation

It has been a dynamic year in CMA Regulatory Affairs, particularly in association with the many processes related to the ongoing rollout and finalisation of the Review of Medicines and Medical Devices Regulation (MMDR) reforms; the implementation of the Modern Manufacturing Strategy (MMS); and the 2020 Deregulation Taskforce. CMA is seeking to leverage these Government initiatives to seek reductions in red-tape where possible and to achieve and maintain a healthy standard of regulation for the complementary medicines industry.



Complementary medicines are a high value-add area for growth under the National Manufacturing Road Map

In GMP and manufacturing, CMA continued to work with the TGA as part of our representation on the TGA-Industry Working Group on Good Manufacturing Practice (TIWGG), to progress the ambitious but important goal for the sector to seek that our long-standing GMP concessions become more formally enshrined in therapeutic goods law rather than left unstated or remaining unclear within guidance documents. This will support 30 years of TGA policy and practice, to ensure greater clarity and most importantly, protection of Australian manufacturers in the long term. We have continued to drive this measure to seek industry-positive changes that are consistent with

responsible industry practices while aligned with the objectives of the MMS.

CMA has also been working to clarify licensing requirements for Active Proprietary Ingredient (API) manufacturers in Australia, which are critical in levelling the playing field with overseas API manufacturers, and to better stimulate local innovation and ingredient supply. In particular, unique, novel and specialty ingredients from Australian producers are a potentially untapped resource that could grow within the right regulatory environment.



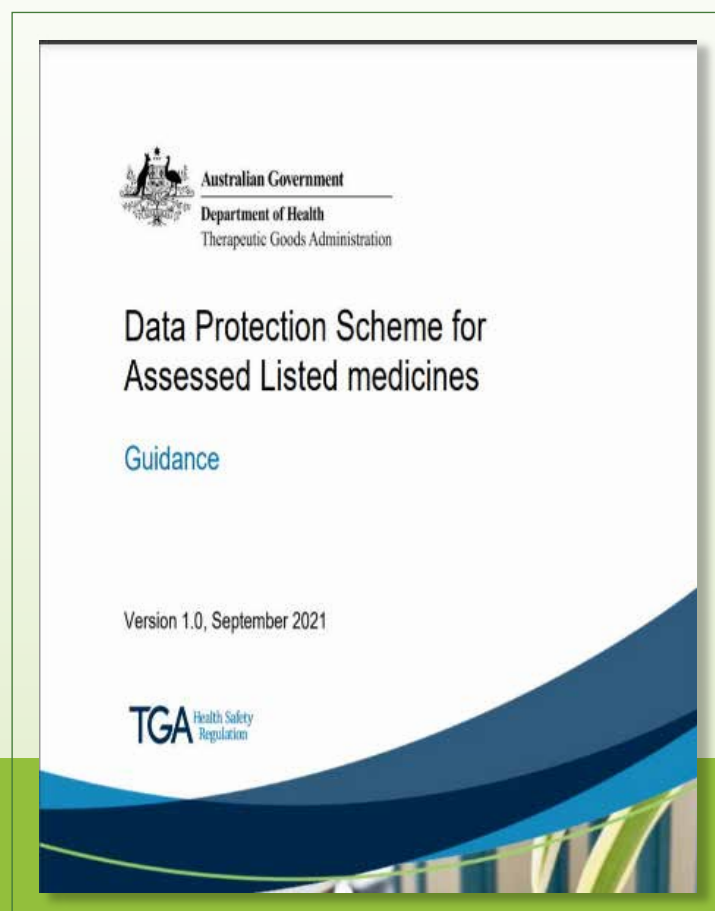
In advertising, CMA continued its representation on the Therapeutic Goods Advertising Code Council (TGACC) and associated working groups, seeking a moderated and sensible approach to advertising measures to counteract the up-regulatory drives sought by some stakeholders through the TGACC forum. CMA provided an extensive public and targeted response and feedback to the consultation on the Therapeutic Goods Advertising Code and other advertising policy. We have identified and expressed the need to amend areas of advertising legislation that are untenable, out-of-date and do not support necessary commercial practice; advocating for the necessity to get warning statements flexible, achievable, clear and understandable, and to allow testimonials and endorsements with appropriate flexibility and transparency, and to permit appropriate naming updates to support the Quality Use of Medicines (QUM).

CMA continued working with the TGA's Complementary Medicine and OTC Branch through the 'ComTech' forum, which facilitates consultation between the TGA and representatives from the complementary and over-the-counter medicines industries, and other targeted consultations on a wide range of technical and strategic matters.

A focus on probiotics has featured strongly this year, with CMA responding to highly technical targeted consultation by the TGA in the field of probiotics regulation. CMA has increased probiotic membership and worked with the International Probiotics Association and other experts to develop extensive responses to matters including quality requirements for finished products as well as data requirements and expectations for new probiotic organisms, seeking to protect industry and consumer access to probiotics in Australia within reasonable regulatory parameters.



Important improvements have been made to the **Data Protection Scheme for Listed Assessed medicines**, advocated for by CMA, which improve both the applicability and clarity of arrangements to protect data used in approving listed medicines that use intermediate level claims based on efficacy trials. This work will further stimulate Australian innovation and recognition of our sector while allowing commercial return on research initiatives. CMA worked with the TGA on ensuring clarifications were available in the extensive guidance that has been published.



Another key matter featuring strongly this year has been a focused review on areas of the evidence guidelines that apply to listed medicines, with significant work examining the role of nutritional supplementation and seeking a continuance of existing requirements without an increase in regulatory burden. CMA continues to work with the TGA on critical issues related to an impending update to the evidence guidelines for complementary medicines, which is anticipated to occur via public consultation in 2022. The TGA are proposing a number of up-regulatory changes and additions to the requirements for evidence and accordingly, CMA's responses continue to be driven by the MMDR recommendations on the hierarchy of evidence, which provides an evidence framework for complementary medicines that is commensurate with risk.

Maintaining ingredient controls that are appropriate, maintaining administrative documents and ensuring clarity and transparency of regulatory documents and tools for industry, as well as communicating key information to members through alerts has continued to form a central part of CMA's delivery of a healthy regulatory framework.

CMA remains involved in the ongoing review of the wider food regulatory framework whose fundamental regulatory tenets are under review. CMA continued to work with sports supplement members by seeking amendments and inclusions to applicable standards and schedules within the Food Standards Code to seek that the needs of the community are met by the legislation.

For all regulatory matters, CMA continues monitoring proposed TGA changes, and assessing the level of risk and benefit expected for industry in association with our technical committees to form strategies that seek to drive our sector in the best direction for all of our members and the loyal customers of our industry.



2021 INDUSTRY AUDIT

2021 INDUSTRY AUDIT SNAPSHOT



COVID-19: BUSINESS AS UN-USUAL



With lock-downs and social distancing, COVID-19 has affected every Australian. We continue to work together to adapt to a new normal.

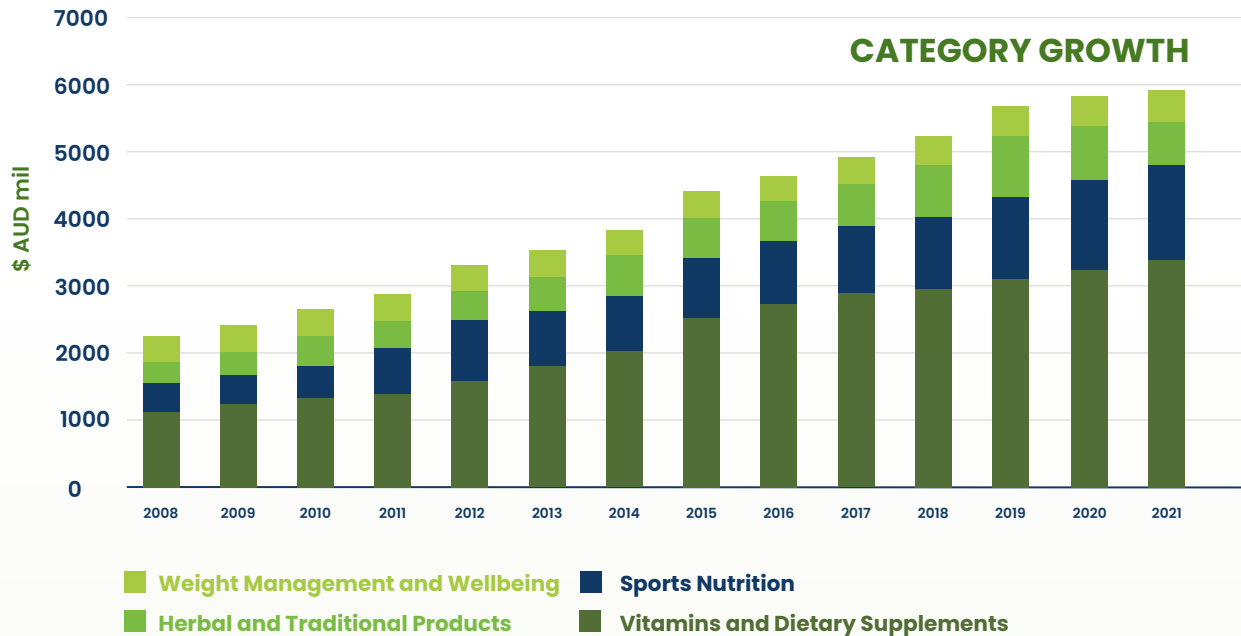
Our industry pivoted to help meet the challenges of the COVID-19 global pandemic. Some manufacturers re-tooled to provide hospital grade sanitisers, hand wash and other personal protective equipment.

Consumers adapted to the change in environment too. With a greater focus on personal hygiene, the cold and flu season last year was relatively benign. This led to a drop in demand for cold and flu products. However, this was offset with a rise in immunity and wellbeing products such as pre & probiotics, Echinacea, Vitamin C & D and other single vitamins.

NATURAL GROWTH

The Vitamins and Dietary Supplement Category has **DOUBLED IN SIZE OVER 10 YEARS**

2020 GROWTH
STEADIED TO
1.5% WITH THE
IMPACT OF
COVID-19



Source: EuroMonitor (2021)

CONSUMER PURCHASING DECISIONS

COVID-19 has had an impact on the retail distribution of Vitamins & Dietary Supplements in Australia.

Lock downs have resulted in an increase in online purchasing decisions. Social distancing has also changed consumers behaviours with less foot traffic in traditional retail outlets, with consumers choosing to spend less time in store. The Direct Selling channel has also adapted and after an initial dip in sales, now holds steady.

Historically, consumers preferred to purchase products from outlets which also provide healthcare advice. However the long term impacts of changes to consumer purchasing decisions to the sales channels is unknown.

Supermarkets & Grocery



Specialist Retailers



Healthfood Stores



Pharmacy



Online



Direct Selling



CONSUMER DEMOGRAPHICS

♀ MEN vs ♂ WOMEN

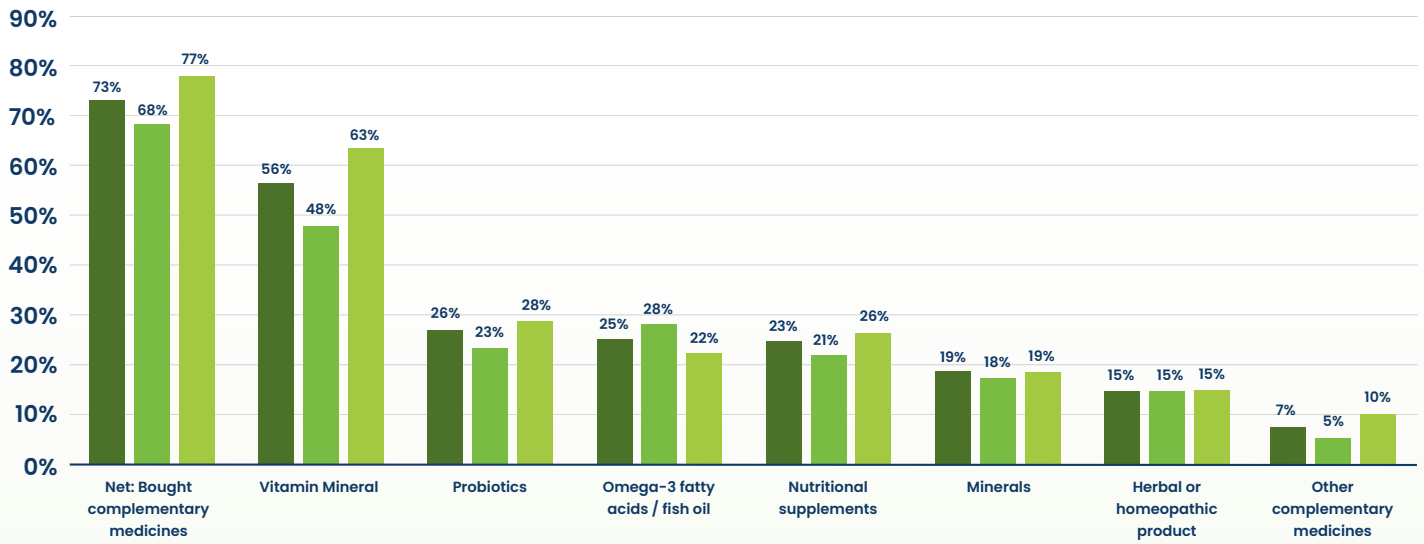
Women are more likely to have purchased complementary medicine in the last 12 months

than men



CM PURCHASES IN LAST 12 MONTHS

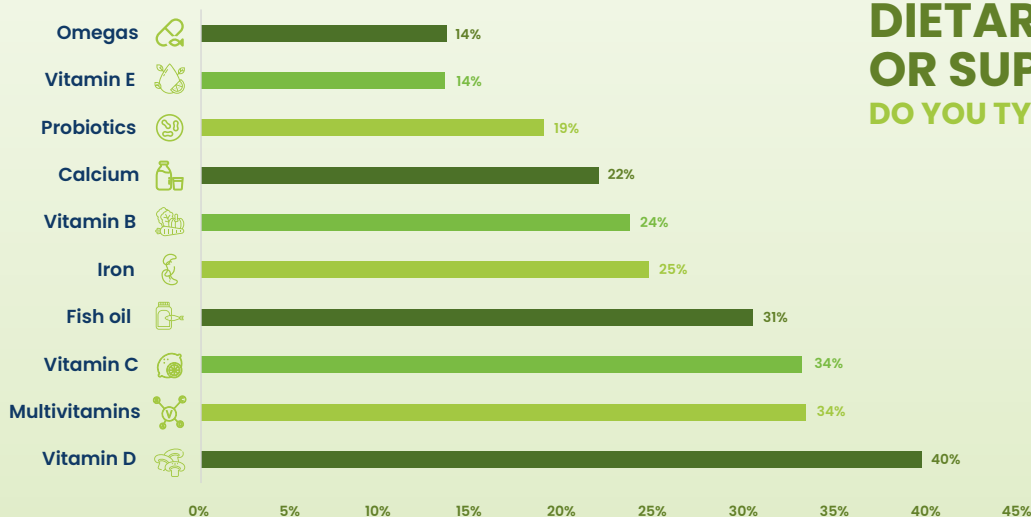
■ Average ■ Male ■ Female



CONSUMER CHOICE BY HEALTH CATEGORY



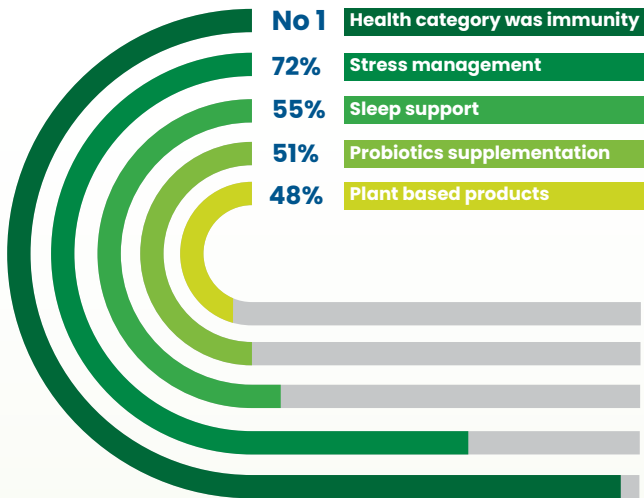
WHICH OF THE FOLLOWING TYPES OF DIETARY VITAMINS OR SUPPLEMENTS DO YOU TYPICALLY TAKE?



TOP PRIORITIES IN INNOVATION

NUTRA INGREDIENT SURVEY 2020

COVID HEAVILY INFLUENCED INNOVATION IN 2020



BEYOND IMMUNITY, WHAT OTHER HEALTH POSITIONING ARE BIG WINNERS IN 2020

Stress Management



Sleep Support



Probiotics



Plant Based Products



Cognitive Products



Probiotics



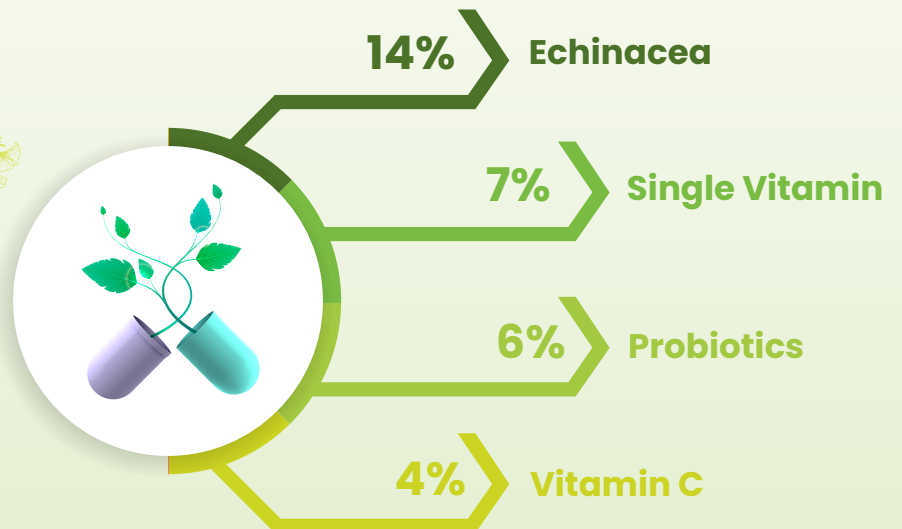
Very Important



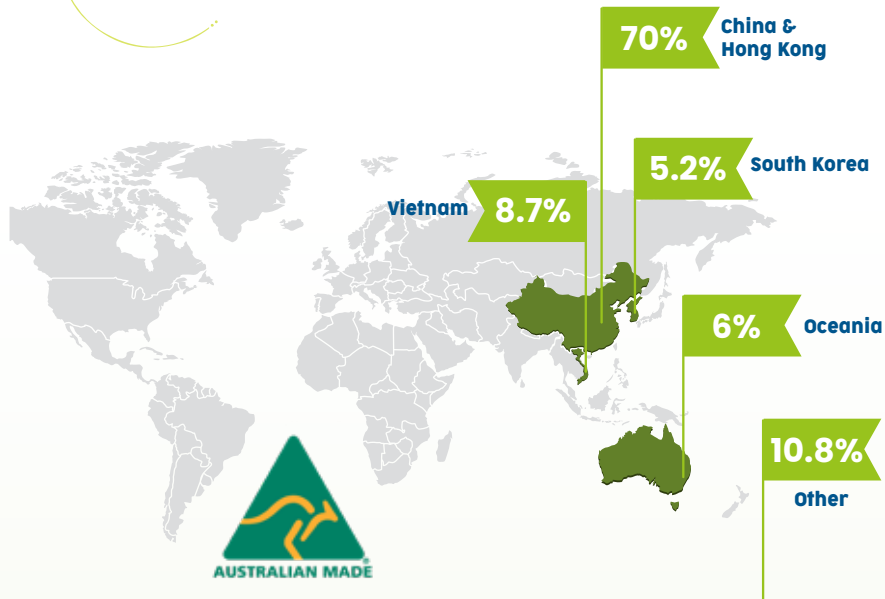
Not Important

Source: Nutraingredients, 2020

FASTEST GROWING INGREDIENTS YEAR ON YEAR



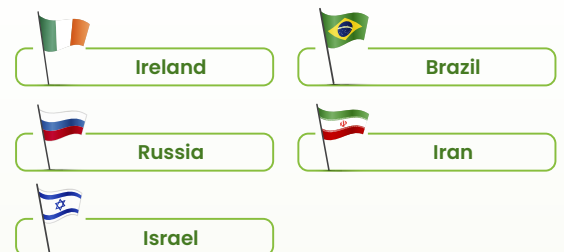
EXPORT MARKETS FOR AUSSIE COMPLEMENTARY MEDICINES



Future Target Markets



First Time Exports to New Countries

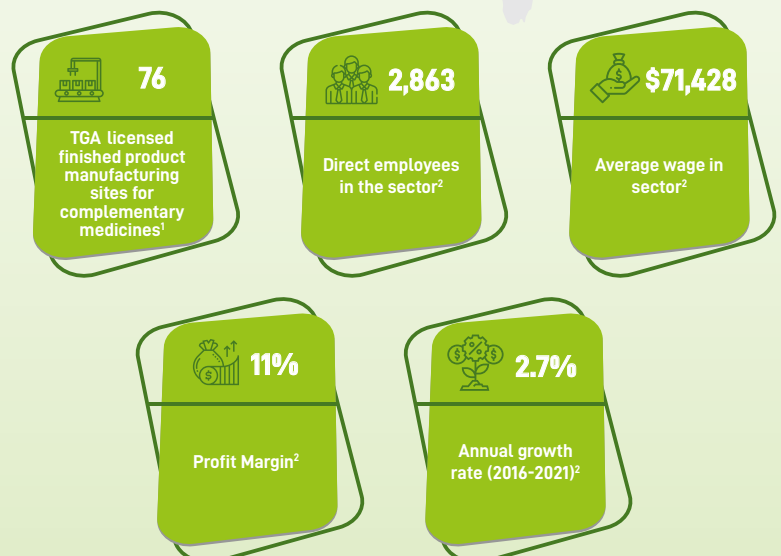


AUSTRALIA'S MANUFACTURING SECTOR



Australian manufacturers are the global leaders in Research & Development, innovation and driving industry best practice.

The sector is recognised globally for the highest quality and safety standards, delivering consumers the worlds best quality complementary medicines.



EXPORT AND INDUSTRY DEVELOPMENT

CMA continues to support existing export markets and in line with our work program, extensive planning in diversifying our export market strategy is now underway.

The Healthplex Expo was held in the National Exhibition and Convention Centre (NECC) in Shanghai on 23 - 25 June 2021. Healthplex is the largest Natural & Nutraceutical Products trade show in China. For this event, Complementary Medicines Australia (CMA) partnered with the Australian Trade and Investment Commission (Austrade) and the China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE) to provide a digital presence and access to business connections showcase for CMA members.

The digital initiative was a first for CMA, made necessary due to travel restrictions related to the COVID-19 pandemic. Through this initiative and with the generous support of the Australian Made Campaign Limited (AMCL) as our campaign associate, we were able to continue the Australian complementary medicines industry's presence, as number one exporter to our largest trading partner. Expressions of Interest for 2022 HNC are now open.

AUSTRALIA: THE NUMBER ONE CHOICE FOR CHINA



Australia remains the largest source of Nutrition and Health Food Imports to China with an import volume of

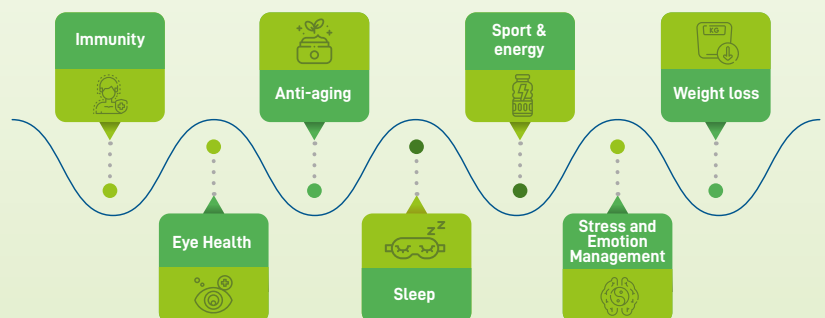
**AU \$ 1.19 Billion
(US \$926 Million)**



**USA remains the second largest with
US \$919 Million.**



TOP TRENDING CATEGORIES



Source: China Chamber of Commerce for Import and Export of Medicines and Health Food Products (CCCMHPIE) (2021)

CELEBRATING AUSTRALIA'S WORLD-CLASS COMPLEMENTARY MEDICINES INDUSTRY



Judged by an independent panel, each coveted Award was hotly contested, warmly received, and greatly celebrated.

The Lady Cilento Award for Lifetime Achievement

Dusko Pejnovic

Industry Contributor of the Year Award

Michael Micallef

Sustainability Award

Ferngrove Pharmaceuticals

Innovator of the Year Award

Caruso's Natural Health

Exporter of the Year Award

Swisse Wellness

Outstanding Contribution to, Education & Training Award

Dr Lesley Braun and the team at Blackmores Institute

Most Outstanding Marketing Campaign Award

Metagenics

Quality Manufacturer of the Year Award

Lipa Pharmaceuticals

Quality Raw Material Supplier Award

Pharmako

The Wholesaler or Distributor Award

Complementary Medicines Group

Retailer of the Year Award

Go Vita Woden, Canberra

Social Selling Award

Herbalife Nutrition

Judge's Choice Award

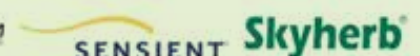
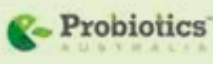
Robert Hendricks and the team at SFI Heath: House of Flordis

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MANUFACTURING
FOR AUSTRALIA'S
LEADING BRANDS





cma

Complementary
Medicines Australia