



Complementary
Healthcare
Council
of Australia



A healthy future ... naturally

2008-2009 Annual Report

Our Vision

Sustainable health and enhanced wellness ... naturally

Our Mission

facilitating

a change in emphasis in health policy from a disease-care model to one based on health and wellness.

ensuring

all Australians have timely access to affordable, safe, high-quality and efficacious complementary medicines.

improving

public health and wellbeing through education and information on the use of complementary healthcare products.



Strategic Directions



supporting

and enhancing a robust, vital and sustainable complementary healthcare products industry.

forging

alliances with government, media and consumers to ethically and responsibly promote complementary healthcare products and their value to the health and wellness of our community.

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FROM THE PRESIDENT

Looking ahead

The theme of this year's Annual Report is the future — and with good reason. The past 12 months have been ones in which we have built upon and consolidated earlier gains, as well as making corrections in navigating our course on policy, operations and administration as we steer for the horizon of 2010 and beyond.

However, to ensure that the future well exceeds the gains of the past year, we need to keep a strong hand on the tiller of the good ship CHC to not only maintain that course but also to build on the initiatives already underway across regulatory, advocacy, communication, events and membership areas.

I am confident that we will make significant strides in the coming months. We have a vigorous and committed Board supported by specialist committees and their enthusiastic members.

We have an exceptional Executive Director in Dr Wendy Morrow, in her first full year as CEO. Wendy has worked tirelessly to further the goals of the CHC and industry. She has been unerringly strategic, goal-oriented, focussed on building a strong and skilled Secretariat team, influential with stakeholders and passionate about the industry and our members.

Finally on this front, but not in any way at the bottom of the list, we have a dedicated, extremely hard-working Secretariat, every one of whose members is willing to do the hard yards to get the job done. So, let me now look at the year just past — but with a firm eye on the 12 months to come.

The CHC has continued to be heavily and successfully involved in regulatory impacts on our business. We had significant success in preventing serious negative industry impacts from glucosamine and Vitamin E and were able to convince other key stakeholder such as ASMI to support our actions and costs around Vitamin E.

We are now working more closely and proactively with the TGA to assist them in their thinking and decision making and to present the industry view prior to the formation of regulations. We will continue this vital work at regulatory level. And we are moving strategically to develop similar expertise and influence in the political and policy health arenas.

It is important to note that we have identified the need for, and budgeted for, an expert lobbyist in the 2009-2010 financial year, so that we can better understand and influence the policy and health agenda of the nation, as well as integrating this knowledge with our organisational goals and imperatives.



Complementary medicines are very well supported by consumers: we need to focus very strongly on ensuring their widespread confidence and belief is actively built into the country's preventative healthcare agenda.

I am particularly proud of the work we have done to implement a three-year strategic plan for the CHC. We have focussed on what the industry needs to do so that it continues to grow and to become increasingly sustainable, recognised and valued.

A vital element in this strategy is that we can best pursue our goals together as an industry, rather than with our own individual company resources. The two key strategic areas — Shaping the Agenda and being the Voice of Industry — embody our desire to take representative ownership of the sector and to engender politically a strong environment for the growth of our industry.

Our move in setting up a series of sub-committees that allows members to influence and contribute to the future strategies and activities of the CHC already has proven its worth.

Other excellent outcomes include our advertising position paper, the new events program and the industry critics response team. And for 2009-2010, the development of a detailed strategic communication plan, allied to other upcoming initiatives across membership, advocacy and stakeholder relations, augurs the ability to provide the CHC, and through it our members, with much wider scope in advancing industry interests.

In reporting to you on the increasing success of the past 12 months, coupled with my genuine optimism for the next year and beyond, I'm happy to say that the future will be a very good place to be.

A handwritten signature in blue ink, which appears to read 'Ronda Jacobs'. The signature is fluid and cursive.

Ronda Jacobs
President



Meet the Board

The CHC Board's job on behalf of its members is to ensure that the CHC is true to its mission and achieves the strategic goals and objectives and, in doing so, meets all the legal and moral responsibilities accompanying best practice corporate governance.

Both the Board and its members are entrusted to ensure that the organisation is soundly managed for the benefit of all.

Board Committees:

Regulatory Policy Committee
Retail Advisory Committee
Marketing and Membership Committee
Communications Committee
Finance and Audit Committee



Ronda Jacobs
President

Director
Catalent Australia



Con Kounnas
Vice-President

Owner
GoVita Jamison/
The Allergy Centre



Chris Karabalis
Treasurer

Owner
Healthy Life Woden
Healthy Life Weston



Frank Caruso

General Manager
Totally Natural Products



Sally Brumley

Owner
Queanbeyan Mega Health
Laura Health Foods



Richard Henfrey

Director People & Strategy
Blackmores Ltd



Robert Barnes

General Manager
Sanofi - Aventis Consumer
Healthcare



Dusko Pejnovic

Chief Executive Officer
Lipa Pharmaceuticals



Wayne Coote

Managing Director
Pathway International



Alex Hutton

Chief Operating Officer
Integria



Tony Greig
Observer

General Counsel
Amway International



David Johnston

Australian Manager
Weleda Australia



FROM THE EXECUTIVE DIRECTOR

Back to the Future - 10 years of the CHC

Some things never change . . . here is the first sentence of the first President's message from the first Annual Report of the Complementary Healthcare Council in 1999: 'It has been a year of enormous change and challenge for our industry'.

Those were the words of foundation President Euan Murdoch as he reflected on the CHC's first year as a new and separate entity, formed from the merger between the Nutritional Foods Association of Australia and the Australian Council for Responsible Nutrition.

The ultimately successful aim of that first year was to deliver to the complementary medicines (CM) industry a regulatory model that created a more appropriate environment for the marketing of products and services. In that same year, the Office of Complementary Medicines was established within the TGA.

A significant victory in that year for the CHC was the overturn the Australian Consumer and Competition Commission's (ACCC) interpretation of 'Made in Australia' on complementary medicines — a win that saved members millions of dollars in reprinting labels, withdrawing products from the market and printing apologies in all major newspapers in every State and Territory.

Initially, the industry was given only a few months to change its labels or face similar action to that required of the first sponsor. Either of these options would have cost the industry millions of dollars.

But by working with the ACCC and demonstrating first-hand the fundamental changes that did take place, from the raw imported ingredients to the final pharmaceutical dosage form consumed, the CHC was able to change the initial ACCC position.

Moving on to 2003-2004, the CHC annual report brought this interesting nugget to light:

'The new Health Minister Tony Abbott's interest in complementary healthcare and a health system based on wellness, has been encouraging. The Minister has organised complementary healthcare summits in his own electorate, where he stated: "One of the great things about what might broadly be described as the complementary health sector, is that it is the only major part of our health industry which [focusses on] wellness as much as sickness. The traditional model treats disease . . . and somehow we've got to move from only seeing people in our health sector when there's something wrong with them to doing what we can to ensure that people don't get sick in the first place.'"

We couldn't agree more, Mr Abbott.



But 2003 also was the year of the Pan Pharmaceuticals crisis. And the words 'change' and 'challenge', as they echoed down through the years from 1999, were never more prophetic, or more applicable than in that year.

The CHC's two major regulatory activities over the 2003-2004 year were responding to the Report of the Expert Committee set up post-Pan to review the role of complementary medicine in the health system; and the development of a new advertising system for Australia and New Zealand under Trans-Tasman harmonisation.

Regulatory scrutiny of the industry increased dramatically following the Pan recall. However, the recommendations of the Expert Committee provided positive opportunities to benefit the industry and the public.

The Committee's finding that "compared with other medicines, some complementary medicines may offer lower risk and more cost effective options for the prevention and treatment of some diseases, conditions and disorders" was a significant statement from a Committee that included some of our most ardent critics.

Fast forward to 2008-2009, and this year's look at the past 12 months. For that, you need only look through the pages of this Annual report. Which brings us back to the future.

In this our tenth year, our report to you also looks to the future, to change, to the challenges that come with that change — and to the steps we are already taking to transform those challenges into opportunities.

The CHC has come a long way in its first 10 years as the voice of the complementary medicines industry. Here's to the next 10!

A handwritten signature in black ink, appearing to read 'Wendy Morrow'.

Dr Wendy Morrow
Executive Director



Meet the Secretariat



Wendy Morrow
Executive Director



Jen Kilgariff
Finance and
Administration
Manager



Kristy Roberts
Scientific and
Technical Manager



Susan Jolley
Membership Services
Officer



Jack Docherty
Public Relations
Manager



Jessica Schnitzler
Events Coordinator



Leila Kelly
Standards and
Compliance Officer



Naomi Thomson
Executive Assistant



Phillip Anderson
Administration
Assistant

Staff not pictured:

Tricia Campbell
Advertising Services Manager
Ruben Jones
Advertising Services Manager

Nalyni Mohamed
Former Media & Communications Manager
Trixi Madon
Former Technical Manager
Madelyn Bredhauer
Former Events Coordinator

Membership

2008 – 2009 has been a year of industry consolidation with many companies merging to form new entities. The CHC has focussed a great deal of energy this financial year in ensuring that our loyal Members are fully engaged with us in driving the direction of the CHC and their industry. This increased involvement, energy and enthusiasm from our 344 Members has facilitated and driven the many success stories for the 2008-2009 year.

Members have seen the value for their membership continue to increase, enjoying the wide range of member benefits that ensure their business environment remains robust and sustainable for continued growth.

Member committee participation

The CHC has reinvigorated and developed an effective internal committee structure. These committees have developed position statements and made recommendations to the Board on governance, as well as on issues facing the wider complementary healthcare industry.

Participation in CHC Committees has been highly sought after, with Members recognising the additional benefits their businesses receive through involvement with the CHC at this high level, providing significant input into the future direction of our industry.

“passionately committed to continuing our advocacy mission”

Staying informed

The CHC updates and alerts have kept technical staff well informed on regulatory issues throughout the year. These bulletins have given Members the opportunity to voice concerns about any impending changes to regulation — and to appropriately respond to these issues within their businesses.

One strong voice for industry: now and into the future

As the peak industry body and one with no single company interest, the CHC, on behalf of our Members, has addressed a number of vocal critics who have challenged our industry's credibility over the past year.

With the formation of the CHC's new Industry Critics Working Group, the CHC will provide extra support in continuing to resolutely meet the challenges presented by those who seek to undermine our efforts to protect the interests of Australian consumers and the rights of our Members.

Moving to the future, the CHC is positioning itself to further develop and enhance relationships with government and the bureaucracy, opinion makers and leaders, key journalists and other industry stakeholders in support of complementary medicines. A detailed communication strategy has been developed and will be presented to the Board in September 2009.

Safeguarding the industry your business is built upon

The year ahead will see the CHC remain passionately committed to continuing our advocacy mission to promote complementary healthcare products for the betterment of all Australians.

With new initiatives such as our Business Leaders Lunches, CEO Forums and our enhanced Committee structure, Members will have even greater opportunity to engage in and drive the direction of the CHC, safeguarding the complementary healthcare industry and their business environment.

Events

The 2008-2009 financial year presented many hurdles for our Events Department, with significant changes in the Secretariat, industry and of course the global financial crisis.

However, the CHC held two very successful Seminars, plus the Annual Industry Awards and the Sponsors Obligation Conference, which brought in over 340 delegates.

Our 'Advertising Compliance - It's easier than you think!' Seminar was held on 30 October 2008 at the Amora Jamison Hotel, Sydney, in conjunction with our Annual Industry Awards, held at Dockside.

Topics were presented by a range of speakers including several from the TGA and two of our specialist staff.

The Annual Industry Awards Dinner was very well attended and a valuable opportunity for networking and building on business relationships.

Expert Advice

After much demand from our members down south, the 'How to AUST R for Complementary Medicines' Seminar was held at The Sebel Albert Park, making it our first but definitely not our last Melbourne-based seminar.

The new location was very well received, with delegates coming to hear expert advice on the registration process, evidence, clinical trials, product presentation and labelling.

Our Sponsors Obligations Conference was based around the topic 'Pharmacovigilance – Understanding the risks, knowing your responsibilities' and held in Sydney at Four Points by Sheraton.

A wide range of speakers presented, including Professor Joanne Barnes, Dr Evelin Tiralongo, Dr Lesley Braun, Dr Vicki Kotsirilos, Dr Michael Fenech, Professor Stephen Myers, Professor Basil Roufogalis, Ross Campbell, Michelle McLaughlin, Hongxia Jin, Gary Lacey and Adrian Krauss, all of whom received enthusiastic, detailed feedback from our delegates. The then Parliamentary Secretary, Senator Jan McLucas, presented our welcome and introduction to day one.

Looking forward

With a new five-year strategic plan in place, the CHC is set to offer events that are relevant and meaningful to members as well as being profit-generating for the organisation.

During the remainder of 2009, October 29 will be a significant date with our Seminar 'Don't be a liability – make your company a safe bet' and AGM being held during the day and our 10th Anniversary Industry Awards Dinner that night, both in Sydney.

We will be celebrating the CHC's 10th Anniversary in style at a stunning and elegant venue, The Tea Room, in the Queen Victoria Building. A black-tie event, it promises to be a wonderful night filled with celebration, entertainment and fine dining.

Supported by an expert Committee, the secretariat is preparing events for 2010 and beyond. We will be implementing new initiatives and adjusting others to be bigger and better than ever before.

There will be CEO Forums, regular Seminars, Parliamentary Dinners, the Annual Industry Awards and our Annual National Conference, to be held in October 2010 with our Annual Industry Awards and AGM.

The Conference date and city will be announced at this year's 10th Anniversary Industry Awards to allow members plenty of time to clear that date in their diaries.



Technical & Regulatory

The Technical Team at the CHC Secretariat have been working intensively this financial year, lobbying on a number of technical and regulatory issues that affect the complementary medicine industry.

A record number of submissions were provided to Government, the regulators and other relevant stakeholders, outlining Members' concerns on particular proposals. Secretariat Technical department staff also attended a number of industry meetings, where Members' views were voiced.

Consistent lobbying by the Technical Team resulted in a significant win for Members over a proposed regulatory provision that would have resulted in the requirement for child-resistant packaging (CRP) on many glucosamine products, one of the biggest-selling complementary medicines.

The consequence of implementation would have been a significant increase in cost to industry and the inevitable flow-on to consumers. Glucosamine products in bulk packaging (for which there are no child-resistant enclosures) would have been forced out of the market.

“a significant win
for members”

There also was potential for significant confusion among consumers, as some glucosamine products would have required CRPs and others would not. The Technical Team thanks all those Members who provided vital information to assist in altering this decision.

In October 2008, CHC Members and other relevant stakeholders met the regulator to discuss published scientific studies that suggested a potential association between vitamin E and an increased risk of mortality.

In response, the CHC requested an opportunity for industry to respond to these findings and established the Vitamin E Working Group, inviting the Australian Self-Medication Industry to collaborate.

The CHC Technical Team commissioned research to support industry's position, which found no

association between vitamin E and increased risk of mortality. This information was provided to the TGA for consideration. The issue is still under review by the regulator and the outcomes will be finalised in the next financial year.

We have continued to work closely with the regulators on developing a suitable regulatory framework for homoeopathic and anthroposophic medicines. The aim is to establish suitable regulations without significantly impacting the homoeopathic and anthroposophic industry.

Staff from the Office of Complementary Medicines have attended numerous CHC Homoeopathic Working Group meetings and taken on board concerns and issues from members in relation to the proposed provisions. The TGA will continue consultations with this Working Group well into the next financial year.

Future directions and goals

The Technical team will continue to develop effective strategies to ensure appropriate decisions around regulatory change through submissions which outline Member positions in 2009-2010.

To help achieve appropriate positions and to be proactive on specific issues related to the complementary medicine industry, the existing Technical Working Groups and Committees will be streamlined to enable them to become even more productive.

New Technical Working Groups and Committees will be created to assist in forming positions in certain areas of the industry: one new Committee already flagged as necessary will be dedicated to manufacturing and good manufacturing practice within the industry.

A meetings schedule will be established by the Technical team and circulated to Members to advise on regular dates.

Economic research on complementary medicine also has been identified as an objective for the Technical team for 2009-2010. The results will be used to assist in underpinning CHC policy platforms and position statements and provide stronger argument for countering regulatory change. An agreement with NICM for industry research will underpin this initiative.

Submissions

Senate Community Affairs Legislation Committee

- Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009
- Parliamentary Secretary for Department Health and Ageing
- Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009
- Productivity Commission:
- Review of Mutual Recognition Schemes - Draft Research Report
- Review of Mutual Agreement Schemes
- Annual Review of Regulatory Burdens on Business, Manufacturing and Distributive Trades - Draft Research Report

Therapeutic Goods Administration:

- Consultation Paper for Guideline for the Levels and Kinds of Evidence for Listed Medicines with Indications and Claims for Weight Loss
- Technical Review of the Code of Practice for the Tamper-Evident packaging (TEP) of Therapeutic Goods
- Consultation Paper on the Regulation of Homoeopathic and Anthroposophic Medicines in Australia
- Standards proposed for the Regulation of Homoeopathic and Anthroposophic Medicines in Australia
- Food Standards Australia New Zealand:
- Food Standards Development Work Plan 2009
- Proposal P293 Nutrition, Health & Related Claims – Consultation Paper for the First Review.
- Food Regulation Policy Options Consultation Paper for the Intent of Part 2.9 of the Food Standards Code – Special Purpose Foods

Other:

- CHC Submission to the National Preventative Health Taskforce
- CHC Submission to The Treasury on the Unit Pricing Bill 2008
- CHC submission to The Treasury: Unit Pricing – Draft Industry Code
- CHC Submission to the NHMRC on the Revision of NHMRC Dietary Guidelines
- CHC Submission to New Zealand Food Safety Authority on the Draft New Zealand Food (Supplemented Food) Standard 2008

Secretariat Activities

Conferences and Seminars:

- NHMRC Dietary Guidelines Review Consultation Workshop
- TGA Regulatory Reform Workshop OTC & CM
- Food Regulation Policy consultation forum
- The 6th Australian Homoeopathic Medicine Conference
- Blackmores Research Symposium

- TGA Office of Manufacturing Quality RMP workshop
- Australian Self Medication Industry (ASMI) Conference
- National Preventative Health Summit
- Australian Integrative Medicine Association Conference
- Australian Healthcare & Hospitals Association Conference

Industry Representation Meetings with Government and other relevant stakeholders:

- TGA Office of Complementary Medicine / Industry Consultative Group (OICG)
- TGA Complementary Medicines Technical Working Group (previously known as Technical Expert Reference Group)
- TGA Industry Consultative Committee (TICC)
- Therapeutic Goods Committee (TGC)
- FSANZ Senior Food Scientist
- New Zealand Food Safety Authority representatives
- Parliamentary Secretary for Health and Ageing Hon Jan Mclucas
- Standards Australia
- Senate Community Affairs Legislation Committee Inquiry into the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009
- TGA/Industry Meeting
- Productivity Commission Review of Mutual Recognition Scheme Roundtable
- TGA Bilateral Meeting: Fee Structure
- Head of Office of Complementary Medicine TGA
- New Parliamentary Secretary for Health and Ageing Hon Mark Butler.

CHC Technical Committees and Working Group Meetings:

- Vitamin E Working Group
- Homeopathic Working Group
- Sports Supplement Industry Group
- Technical and Standards Committee



Advertising

Following the failure of the Trans-Tasman Harmonisation (TTH) process and the non-realisation of an Australia New Zealand Therapeutic Products Authority, the CHC has concentrated on lobbying to bring to reality those parts of the TTH that provided positive initiatives for industry and consumers.

One area in need of reform is the advertising of therapeutic goods, which was also signalled for future reforms by the Parliamentary Secretary for Health and Ageing in July 2008.

To that end, the CHC convened an advertising working party to develop its Advertising Reform Position Paper. The working party was chaired by Angelo Andronis of Sanofi-Aventis Consumer Healthcare and comprised broad representation from industry.

“central conclusions were underpinned by a series of recommendations”

The working party concluded that a review was needed of the regulatory framework of advertising, pre-approval of advertisements and complaints handling. These three central conclusions were underpinned by a series of recommendations including but not limited to:

- Retention of the co-regulatory model
- Revision of the Therapeutic Goods Advertising Code (TGAC) alongside the review of our high-level, principles-based, industry-specific Code of Practice for the Marketing of Complementary Medicines (the CM Code of Practice) to be applicable to both pre- and post-marketing, including complaints. This Code of Practice would be anchored in an updated TGAC with oversight of same by representatives of the complementary medicine industry
- The CM Code of Practice would be applicable across the whole of the complementary medicines sector and would be the only standard for complementary medicines (pre- and post-marketing), as well as for the assessment of advertisements and complaints handling

- Retention of mandatory pre-approval for 'above-the-line' advertisements but in addition to the Advertising Services Managers also implement a peer-reviewed system of delegated authorities within sponsor companies
- Delegated approval agents to require industry-accredited training, assessment and professional development through an industry-approved training program
- Only one committee to consider complementary medicine complaints modelled on the CHC's Complaints Resolution Committee (CRC), in that it is industry-run and the composition is focussed on complementary medicine expertise
- The Complementary Medicines Committee will refer to the TGA illegal products, consumer health and safety issues, and non-compliance with sanctions
- Harsher penalties and sanctions, with appropriate industry consultation, to be applied by the TGA in these cases; and these penalties should be stronger than those imposed by industry

For more information on, or a copy of the CHC's recommendations and policies on advertising reform, members should contact the CHC Secretariat.

The CHC Code of Practice for the marketing of HC and HF Products 2009

The Complaints Resolution Committee is established under the Complementary Healthcare Council Code of Practice for the Marketing of Complementary Healthcare and Healthfood Products (the Code) to consider complaints on advertising material for complementary healthcare products. The CHC acknowledges and extends its appreciation to the Therapeutic Goods Administration for its continued support of the CRC.

As per the Code, CRC members hold office for two years and as such, nominations will be called for the 2010-2011 CRC. The CHC thanks and commends the current CRC members for their dedication over the past two years. In the 2008-2009 years the Complaints Resolution Committee (CRC) met in July, October, February, April and June.

	Total			Complaints against CHC Members			Complaints against Non-CHC Members		
	08-09	07-08	06-07	08-09	07-08	06-07	08-09	07-08	06-07
No. Complaints received	62	58	35	23	9	9	39	49	26
Finalised¹	43	51	35						
Multiple Complaints²	7	9	6	4	3	3	3	6	3
Forwarded to TGA³	21	27	5	7	4	0	14	31	5
Referred to CRP	4	2	3	2	1	2	2	1	1

¹ The 19 complaints carried over to the 2009-2010 financial year for determination have since been finalised:
10 referred to the Therapeutic Goods Administration
4 referred to the NICNAS
1 referred to the NSW Food Authority
4 pending sponsor confirmation of compliance with CRC sanctions

² No. of companies against which more than one complaint was received.

³ As per Code of Practice clause 8.4.4 where a complaint received involves risk to public safety or the therapeutic good has not been included in the Australian Register of Therapeutic Goods (ARTG).*

*NB: Of the 21 complaints forwarded to the Therapeutic Goods Administration:
11 were for a product that appeared not to be listed on the ARTG
4 were referred due to the complaint not being relevant to advertising
2 were for Medical Devices
2 were for serious restricted representation claims
2 were for non compliance with CRC sanctions

Source of Complaint

Industry			Consumer			TGA			CRP			Other*		
08-09	07-08	06-07	08-09	07-08	06-07	08-09	07-08	06-07	08-09	07-08	06-07	08-09	07-08	06-07
27	36	12	16	10	10	1	1	1	5	4	8	13	7	4

* 7 of these complaints in 08-09 by the same complainant

Advertising and future directions

About 75 per cent of Australians use complementary medicines and up to \$2 billion a year is spent on them, so it is clear that complementary medicines play a significant role in the healthcare choices of contemporary Australians.

Consumers and industry want advertising that provides accurate, adequate information about complementary medicines while preventing misleading claims and indications.

It is our firm belief that advertising should retain existing self-regulatory processes and have a more significant degree of stakeholder/industry ownership and responsibility. The importance of the self-regulatory process is reflected within the CHC's five-year strategic plan, which emphasises that the association will advocate for a co-regulatory system by promoting and enforcing industry standards through the Codes of Practice.

There is no doubt that the future of advertising will involve change. But this can be achieved smoothly through continuing, assiduous consultation with Government and key stakeholders.



Finance & Admin

This financial year has been one of considerable challenge, not only because of the impact of the global financial situation but also because of the new directions being undertaken by the Secretariat.

There have been significant improvements in service delivery and the provision of information to members and other stakeholders.

For the first time, the CHC has offered early-payment discounts to members and these proved very popular, particularly with small-to-medium businesses, which took advantage of the savings on offer.

This was a great opportunity for both members and the CHC to gain an advantage. Members received a discount on their membership for the year and the CHC improved its cash flow position as well as reducing the number of outstanding debts that had to be recovered.

During the year, the two-person finance and administration team raised 2,366 invoices and 589 purchase orders and issued 1,754 receipts and 1,883 disbursements.

In addition to accounts processing we also looked after IT, security, office infrastructure

Staff have made every effort to economise and keep expenditures to the absolute minimum, the positive end-of-year result for 2008-2009 being a testament to this effort, especially given the difficulties faced by industry and the rest of the country.

Onwards and upwards

There may be some tough times ahead but the general outlook appears to be that the economy will start to recover towards the middle to end of the next year.

The CHC will be looking at ways to revamp our membership fee structure as well as pursuing other avenues of revenue generation. Several such projects already are under way.

The finance and administration team will continue to improve internal processes and streamline procedures to effect cost-savings and also improved service delivery to stakeholders.

“our new strategic direction to help provide financial freedom for the organisation”

and telecommunications, OH&S, recruitment and HR.

Internal processes have been continuously reviewed to enhance quality control and provide timely, accurate information to key stakeholders.

We have reviewed our investment strategy, particularly in light of continuously falling interest rates, and have embarked upon a review of the CHC's funding base — our new strategic direction to help provide financial freedom for the organisation.

Treasurer's Report

I am pleased to report the following outcomes for the financial year ended 30th June, 2009 for the Complementary Healthcare Council (CHC).

During the year the CHC has achieved a net profit of \$8,251. This follows a profit of \$163,446 in the 2008 financial year and it partly reflects the economic impact of the global financial crisis.

A significant outcome was the decrease in expenses by 3 per cent (down from an increase of 3.4 per cent in 2008). This was in large part attributable to the achievement of economies of scale and the renegotiation of service contracts to obtain better value for money. Salaries and associated on-costs accounted for 58 per cent of CHC expenditure, which is the same percentage as 2008, reflecting the continued restraint of CHC staff. Significant savings have been made in general office overheads and this highlights the CHC's commitment to continually find savings in general overheads in order to provide more funds for services to our members.

A major cause of concern was the decline in income of 13 per cent in 2008-2009 from 2007-2009. Lower than expected results in events revenue was the major contributing factor, as well as falling interest rates which had an impact on the return on the CHC investment portfolio. Membership subscriptions have increased slightly in dollar terms, but the number of CHC members has fallen since last financial year due to consolidation of member companies. Increasing our membership base and diversifying income streams are currently high CHC priorities and part of our strategic plan.

Total member equity has increased from \$665,822 in 2008 to \$674,074 in 2009, a result which is testament to the loyal support of our members. This strong financial position will allow the CHC to further strengthen the industry through lobbying government, liaising with members and spreading the message of sustainable health and wellness through the use of complementary healthcare products.

Finally, I would like to thank our Executive Director, Dr Wendy Morrow for delivering a positive outcome in very difficult economic times. Also special thanks to Jen Kilgariff, our Finance and Administration Manager, for her outstanding work and the hard work of the

Finance and Audit Committee over the year.

The CHC's audited financial statements for 2008/2009 may be viewed by members at www.chc.org.au. If members do not have access to the internet and would like a copy of the statements, please contact Jen Kilgariff who will be happy to forward a copy to you.



Chris Karabalis
Treasurer



Award Winners

2008 Industry Award Winners

Most Outstanding Industry Contributor

Robyn McInnes
Nature's Sunshine Products of Australia

Most Outstanding Technical or Regulatory Individual

Dr Richard Oppenheim
Dr Richard C. Oppenheim Consultancy

Vince Russell Retailer

Ennis Saegenschnitter
Go Vita Munno Para

Most Outstanding Sales Representative

Greg Haglund
Nutra Life Health & Fitness

Most Outstanding Contribution to Research, Education or Training

Pam Stone
Blackmores Retail E-Learning program

Best Consumer Publication – Electronic

Blackmores Email Newsletters

Best Consumer Publication – Print

Go Vita – the Good Health News Magazine

Most Outstanding Marketing Campaign

Cenovis Eco fish Oil

Most Outstanding Website

Robert Forbes & Associates

Lady Cilento

Geoff Steinicke
Melrose Health

Lady Cilento Award Winners during the Past 10 Years

1999	John Miller John Miller Consulting
2001	Ian Brighthope Nutrition Care Pharmaceuticals
2004	Professor Stephen Myers Southern Cross University
2006	Geoff Sainsbury Healthy Life
2007	Allan Crosthwaite Previous CHC Technical Director
2008	Geoff Steinicke Melrose Health



The CHC has come a long way in its first 10 years as the voice of the complementary medicines industry. Here's to the next 10!

Wendy Morrow
Executive Director



Notes





Complementary Healthcare Council
of Australia

