

ACA

Australian Consumers' Association

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4th May 2006

Direct To Consumer Advertising (DTCA) Consultation
Sector Policy Directorate
Ministry of Health
PO Box 5013
WELLINGTON
New Zealand

By email

Re: DTCA of Prescription Medicines in New Zealand Consultation Document

Dear Sir/ Madam,

I refer to your call for submissions on the consultation document which sets out options for the regulation of direct to consumer advertising (DTCA) of prescription medicines in New Zealand. We appreciate the extension we have been granted in making a submission.

The Australian Consumers' Association (ACA) is opposed to DTCA in all its forms. Of the three regulatory options outlined, option three is the least harmful to consumers but we do not believe that harmonisation with Australia's policy on DTCA is the policy outcome in the best interest of consumers. Attached is a submission which we made to the Australian Competition and Consumer Commission (ACCC) on the 20 January 2006 which outlines our concerns with the Australian policy on regulation of pharmaceutical advertising (*attachment one*).

We are interested in making a submission about this issue because the outcome could have implications for consumers not only in New Zealand but also in Australia flowing from the Trans-Tasman harmonisation process. The establishment of the Australia New Zealand Therapeutic Products Authority (ANZTPA) expected late in 2007 will have wide reaching implications for consumers in both countries.

ACA is an independent not-for-profit, non-party-political organisation established to provide consumers with information and advice on goods and services, health and personal finances, and to help maintain and enhance the quality of life for consumers. ACA provides consumer education, conducts surveys into consumer attitudes, lobbies for improved conditions for consumers and distributes unbiased consumer advice. Our sister organisation in New Zealand is 'Consumer'.

Our concerns about DTCA are outlined in *attachment one*. DTCA increases the demand for the advertised drugs and affects consumers in two main ways. First, reports of inflated disease prevalence in advertisements may induce consumers to consume drugs they do not in fact need; this can have serious long term implications for their health. Second, increased consumer demand for

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pharmaceutical drugs, leads to cost pressures on Government spending and this increased cost is in part often passed onto consumers. Consumers need to be armed with information to be make informed decision, not bombarded with marketing veiled as education.

There is no evidence of benefit to consumers of DTCA. On the contrary, it causes anxiety about disease conditions and causes confusion about medical conditions and treatment. There is much evidence of harm caused by DTCA. Pharmaceutical companies are interested in their bottom line "they sell medical products just like any other products...just like toys and cars and deodorant. The goal is to make us want them".¹ DTCA is a proven method of stimulating demand and thereby increasing the profit margin for pharmaceutical companies. For example, US spending on drugs rose by \$42.7 billion in the 5 years from 1993 to 1998 and 22% of this increase was for the 10 most heavily advertised drugs.² The problem is that these are strong drugs with serious potential long term side effects, not everyday consumer products like washing powder.

The current Australian policy on the advertising of pharmaceuticals is governed by general provisions in the Therapeutic Goods Act together with the Medicines Australia (MA) Code of Conduct (the Code), which is a self regulatory code. This system does not effectively protect consumers from the harm flowing from DTCA (as outlined in *attachment one*). We are concerned that one of the options of the consultation document is to harmonise with Australia and to adopt this model.

On 2 May 2006, we wrote to the Australian Minister for Health and Ageing, Tony Abbott, expressing our concern about the regulatory system (*attachment two*). *Even though DTCA is prohibited in Australia, neither the provisions of the Act nor the Code have proved effective in prohibiting forms of DTCA.* The ACA has called on the Government to regulate the advertising of pharmaceuticals in Australia. It is a concern that if a similar model as adopted in New Zealand, as outlined in option three, that DTCA will continue to occur but in less obvious ways, as is currently the case in Australia.

With the imminent approach of the ANZTPA, it is vital that a regulatory system is adopted which protects consumers and arms them with unbiased information to make informed decisions.

Please do not hesitate to contact me should you require further information or have any questions on +61 2 9577 3374 or +61 411 788 076.

Yours Sincerely,

Viola Korczak
Health Policy Officer

¹ Vastag, B (2005) 'FDA Considers Tightening Regulations for Direct to Consumer Advertising', Journal of the National Cancer Institute, v97, n24

² Coulter, A. (2001) 'Information or Advertising', Health Expectations, pp 203-4

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