



THE HON SUSSAN LEY MP

Minister for Health
Minister for Sport

MEDIA RELEASE

23 June 2015

Senate supports cheaper medicines for Australians

Consumers are the big winners from the Senate today passing the Abbott Government's Pharmaceutical Benefits Scheme (PBS) reform package, which will deliver cheaper medicines into the future and a doubling of investment in patient primary care and support programmes.

Health Minister Sussan Ley said today's vote would mean patients would benefit from the package's cornerstone measure that will see over 2000 brands of common medicines slashed in price, some by as much as half, from October 2016, whilst also saving taxpayers \$2 billion over five years.

This is on top of other measures in the reform package that will benefit consumers, such as the ability for pharmacists to discount the PBS co-payment for patients by \$1 for the first time and doubling investment in primary care programmes for patients to \$1.2 billion over the next five years.

Ms Ley today thanked Senators from a range of political parties and persuasions for supporting the Abbott Government's bill in full without amendment, recognising it was a win-win for consumers and taxpayers, whilst also ensuring the future sustainability of the PBS and pharmaceutical supply chain.

"Consumers are the big winners from the passing of this package, with the overall price of thousands of common medicines to fall by upwards of hundreds of dollars per year," Ms Ley said.

"The saving will be even higher for patients on multiple medicines, with a patient treating heart problems and osteoporosis set to potentially save as much as \$600 or more per year.

"Patients with concession cards will also particularly benefit from our reform package, which will allow pharmacists the ability to discount their co-payment by up to \$1 per script. This will help drive greater competition in the sector and quickly add up to substantial savings for patients over a year.

"This has come about as a direct result of the Abbott Government consulting with consumers, as well as the entire pharmaceutical supply chain, to deliver the best outcomes for patients first and foremost.

“However, we have also worked closely with pharmacists, doctors and medicines manufacturers to deliver a fair package that secures the future of pharmacy and ensures continued access to latest medicines for patients.”

Ms Ley said the Abbott Government had already made over 660 new and amended drug listings worth almost \$3 billion since it came to office – double the number Labor list during their final three years.

However, with spending on the PBS expected to reach \$50 billion over the next five years, and another \$2.5 billion worth of new listing recommendation, in the pipeline, it was essential the Government moved to ensure PBS spending remained sustainable and new drugs could be funded.

“We need to ensure spending on existing medicines is as efficient as possible to ensure taxpayers can continue to invest in listing new and potentially life-saving drugs as well.”

Ms Ley said the Government had delivered bold and innovative reform measures as part of the package, including the \$1 discount, the changes to generic medicine calculations and, for the first-time, reductions in the price of patent protected medicines.

Ms Ley thanked all parties involved in consultations and negotiations over the past few months, including consumers, doctors, pharmacists, wholesalers, retailers and drug companies, for their constructive and robust negotiations.

“This is a clear example of real reform achieved by Government working closely with those at the coalface to deliver better outcomes for consumers and taxpayers.”

The Pharmaceutical Benefits Scheme Access and Sustainability Package will ensure sustainability of the PBS over the next five years (2015-2020), including:

- A Strategic Agreement with Generic Medicines industry Association (GMiA), including a cornerstone measure that will see the price of common medicines, including generics, fall by as much as 50 per cent - or hundreds of dollars.
- \$18.9 billion Sixth Community Pharmacy Agreement, including \$2.8 billion additional direct investment across the pharmacy sector, such as \$1.2 billion into primary care programmes.
- \$6.6 billion worth of proposed efficiencies throughout the PBS supply chain.
- An independent review of pharmacy location rules and remuneration.

This \$2.8 billion investment in pharmacy **is on top of** the \$2.5 billion worth of recommendations on new drug listings by the Pharmaceutical Benefits Advisory Committee (PBAC) currently in the pipeline for consideration.

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