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JOINT MEDIA RELEASE

Medicines sector reforms deliver consumer benefits and a sustainable PBS

Consumers, taxpayers and the national health system will benefit from the significant savings being delivered by medicine suppliers since 1 April.

The direct contribution the medicine supply chain is making to these savings will ensure the PBS is sustainable into the future, enabling the reinvestment savings into the funding of new, breakthrough medicines for Australian consumers.

The key players in the medicines supply sector said the consumer benefits of the latest round of PBS reforms - the costs of which are being borne across the sector – are helping to ensure that the PBS remains one element of Australia's health system that is fiscally sustainable.

Over the weekend, Health Minister Sussan Ley announced that some 400 medicines will fall in price as a result of the PBS reforms that are being funded by the medicines supply sector, and which took effect on 1 April.

Over the five years from 2015 to 2020, these reforms will result in the Federal Government saving around \$17 billion in medicine costs to the benefit of taxpayers and individual patients.

While these reforms impose a considerable burden on the medicines supply sector, they are ensuring that the PBS remains fiscally affordable and sustainable into the future. Because of these reforms, the annual budgetary cost of the PBS in recent years has been flat or falling in stark contrast to other areas of the health system such as hospitals and the MBS.

The Parliamentary Budget Office has projected that PBS costs will grow at a rate that is less than the overall economy through to 2025. This an extraordinary turnaround given the earlier predictions in multiple Intergenerational Reports that the PBS could effectively break the Federal Budget.

At a time when the sustainability of Australia's health system is headlining public debate, it needs to be acknowledged that the contribution of the medicines supply sector in delivering this ground-breaking PBS reform stands out like a beacon for the wider health sector.

Joint statement issued by: *Medicines Australia, the Generic and Biosimilar Medicines Association, the Pharmacy Guild and the National Pharmaceutical Services Association, representing the manufacturers, wholesalers and dispensers of PBS medicines.*

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