



**Submission to the Senate Finance and Public
Administration Legislation Committee Inquiry:
Therapeutic Goods Amendment
(Pharmaceutical Transparency) Bill 2013**

19 April 2013

GlaxoSmithKline Australian Pty Ltd
Tel: 03 9721 6000
Website: www.gsk.com

Executive Summary

This submission is being made on behalf of GlaxoSmithKline (GSK) Australia's Pharmaceuticals division in response to the Senate Inquiry on the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2011*.

GSK also supports the submission on this issue made by Medicines Australia on behalf of the research-based pharmaceutical industry.

While GSK is a vocal advocate of increased transparency in our industry, we do not support the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2011* for the reasons outlined in this submission.

We therefore strongly urge the Senate Finance and Public Administration Legislation Committee to reject the Bill.

About GlaxoSmithKline (GSK) Australia

GSK is a global research-based pharmaceutical and healthcare company operating in more than 100 countries around the world. Our mission is to improve the quality of human life by enabling people to do more, feel better and live longer.

In Australia we have improved people's wellbeing by delivering the highest quality medicines, vaccines and over-the-counter healthcare products since 1886. We invest around \$58 million a year in local R&D and contribute approximately \$477 million to Australia's pharmaceutical and medicinal exports.

Today GSK distinguishes itself not only through its success but also through a collective ethical approach to all areas of business. As one of the largest pharmaceutical companies in the world, we understand our great responsibility to people in the communities we serve.

Every day we balance the interests of shareholders – whose investments make our work possible, with the long-term health needs of patients and society as a whole. This way, we can provide a return to shareholders and develop new medicines while we support community programs and reduce our impact on the environment.

Balance is the foundation for the way we work at GSK Australia. Our guiding principles are to: be transparent, focus on patient needs; respect people; communicate honestly and act with integrity. We provide around 1500 jobs for men and women across Australia and are proud to be recognised as an *Employer of Choice for Women*.

We believe that providing patients with equitable access to medicines goes hand-in-hand with advancing our industry. In Australia, our clinical trials and early access schemes make new medicines available to patients while our clinical partnerships offer access to medicines unavailable in Australia. In developing countries our product support allows flexible pricing to make medicines available to more people.

As we build relationships in Australia we are bound by a global promise to keep our customers at the heart of everything we do. And by continuing to innovate in the pharmaceutical and healthcare industries, demonstrating an ethical approach to decision making and reinvesting in local communities, we will keep our promise.

Response to Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2013

This submission is being made on behalf of GSK Australia's Pharmaceuticals division. While we support increased transparency in our industry, we do not support the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2011* (the Bill) in its entirety.

GSK adheres to the Medicines Australia Code of Conduct. We support its charter to provide a mechanism for the innovative pharmaceutical industry to establish and maintain an ethical culture through a self regulatory approach.

There is no evidence to suggest that self regulation is not working for the innovative pharmaceutical industry operating under the Medicines Australia Code of Conduct. Over the years, the innovative industry has continued to implement regulations to meet the needs of consumers, including increased transparency around interactions between pharmaceutical companies and healthcare professionals.

In 2012 Medicines Australia's Code of Conduct Edition 17 was authorised by the ACCC after rigorous scrutiny and extensive public consultation. The new Code raised the level of transparency of member companies' interactions with healthcare professionals to disclose aggregate payments to doctors and consumer groups.

We believe this is an important next step regarding the transparency of interactions between companies and healthcare professionals, strengthening the Medicines Australia Code of Conduct even further. Ongoing development and consultation on the Code is a good example of effective self regulation in practice.

GSK has been a strong and vocal advocate for increased transparency in the pharmaceutical industry. We have voluntarily disclosed publically the aggregate amount of fees paid to Australian healthcare professionals and health-related organisations, for all sponsorships, grants, speaking engagements and consulting services for the last three years.

We have actively championed increased transparency by encouraging other industry members to support greater transparency in the Medicines Australia Code of Conduct.

GSK has also been disclosing the amount of money we pay to consumer and not for profit organisations for the last four years, and we were pleased to see this included in Edition 17 of the Medicines Australia Code of Conduct. From these experiences we have gained many insights around the transparency of payments to healthcare professionals and other community related organisations.

There is widespread community expectation of increased transparency in commercial relationships between pharmaceutical companies and healthcare professionals, as shown in the recent Galaxy Research survey commissioned by GSK. The results of this survey are attached for the Committee's interest.

The results of the survey found that sixty-five per cent of consumers who participated would prefer pharmaceutical companies disclose sponsorships to individual doctors and specialists (i.e. individual disclosure). In contrast, only twenty-three per cent of those surveyed preferred a system in which the pharmaceutical companies reveal the aggregate amount spent sponsoring healthcare professionals in general.

There is no doubt that there is a consumer appetite for individual disclosure. GSK is an advocate for individual disclosure, but we recognise that this cannot be done in isolation. It is important that the views and concerns of healthcare professionals are taken into consideration, along with the views of other interested parties.

That is why we fully endorse the Transparency Working Group, which was established by Medicines Australia and supported by the ACCC. GSK Australia's General Manager is a member of the Working Group, alongside representatives across industry and health sectors, consumer groups, academia and government. The members of this group are fully committed to increased transparency and are working collaboratively to improve self regulation. Along with Medicines Australia, GSK will continue to work closely with healthcare professionals, patient groups and the wider sector to achieve the same transparency outcome as intended by the proposed Bill.

The measures outlined in the Bill will have a detrimental impact on pharmaceutical companies' ability to support valuable medical education for healthcare professionals.

Medical Education is critical to ensure quality use of medicine and is in the best interests of patients. Healthcare professionals need the opportunity to undertake reasonable levels of education and training on the use of prescription medicines. Patients want their doctors to know how medicines work and how to use them. Healthcare professionals should have the most up-to-date information about the medicines Australian patients need.

At GSK, we regularly engage with healthcare professionals to share knowledge, become better informed about current medical practice and obtain important expert feedback, which helps us better meet patients' needs. This vital information exchange is all about changing people's lives with the latest healthcare developments.

We strictly adhere to the highest ethical standards, and the focus of GSK's interactions with healthcare professionals is to gather information on our medicines and understanding where they fit in current treatment plan, on informing them about products, providing scientific and educational information and supporting medical research and education.

We believe it is appropriate to fairly compensate healthcare professionals for the legitimate and important insights and expertise into the medical care that they provide. Further, it helps us to ensure that our medicines are used correctly, for the purposes they were intended for, in the best interest of patients.

While some might argue that healthcare professionals should fund their own education, this is not realistic in practice. Healthcare professionals study for decades (often at great expense) and the majority of healthcare professionals do not have vast funds for continued education. Doctors come from all walks of life and it is appropriate that we support them to continue to gain new knowledge in an incredibly complex and evolving field.

While we do not support the Bill there is one aspect we believe warrants further discussion, and that is the lack of a level playing field. From our perspective, different sectors of the pharmaceutical industry (including devices, generics and complementary medicines) should self regulate at the same standard and be governed by a Code of Conduct as rigorous as the Medicines Australia Code of Conduct.

To this end, we support the Government's approach to solving this issue through the Code of Conduct Advisory Group.

Recommendation

GSK strongly urges the Senate Finance and Public Administration Legislation Committee to recommend that the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2013* be rejected.