

15 October, 2010

**Submission to the Inquiry of the Community Affairs Legislative Senate Committee into
NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS SCHEME) BILL 2010**

This submission is in response to the Community Affairs Legislative Senate Inquiry into the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010.

Aspen Pharmacare Australia is a supplier of medicines to the PBS. It supplies both single brands with patent status and competes in the multi-brand off-patent market.

Aspen Pharmacare Australia has read the GMiA submission forwarded to the committee on 20 August 2010 and concurs with the positions and conclusions reached in this submission.

While we support the Government's objectives to achieve a more efficient and sustainable Pharmaceutical Benefits Scheme (PBS), better value for money for Australian taxpayers and policy stability for the pharmaceutical sector, Aspen Pharmacare Australia cannot support the Bill.

The proposed reforms under the Bill are unnecessary. The proposed Bill will cut \$1.9 billion out of the F2 formulary (generic medicines) over 5 years when the cost to Government of the entire F2 formulary fell by 21.4 per cent between 2005/06 to 2009/10 from \$2.8 billion to \$2.2 billion (Government annual contribution).

The Bill does NOT deliver the claimed longer term sustainability to the PBS nor does it ensure more affordable medicines for Australians in the long term.

I urge you to ensure that the Bill is abandoned. The PBS reforms introduced in 2007 were forecast to save about \$3 billion over ten years. Three recent and separate analyses – including the Government's own – show the savings will be about double that. The reforms of 2007 will ensure the sustainability of the PBS and deliver affordable medicines to the Australian market.

Yours truly,



Greg Van
Managing Director