

13 June 2007

Mr Elton Humphery
Committee Secretary
Australian Senate
Community Affairs Committee
Parliament House
CANBERRA ACT 2600

Dear Mr Humphery

National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2007

The Pharmacy Guild of Australia welcomes this opportunity to provide a submission to the Senate Community Affairs Committee Inquiry concerning the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2007.

The Guild is the national peak body representing community pharmacy in Australia. It seeks to serve the interests of its members and to support community pharmacy in its role of delivering quality health outcomes to all Australians.

Details of the PBS Reform Package were announced by the Minister for Health and Ageing, Tony Abbott, in November 2006. At that time the Guild issued a media release supporting the reform package 'because it delivers lower generic prices to patients and a sustainable PBS for the future'. The Guild has closely examined the Amendment Bill and continues to support the reform proposals as set out in the Bill.

The Guild believes the PBS Reform Package:

- will deliver lower prices to patients – our estimates suggest that more than 400 PBS-listed brands priced below the maximum patient co-payment of \$30.70 will fall in price. The price reductions will apply to more than 100 molecules
- will ensure a sustainable PBS for the future – this is already clearly demonstrated in this year's Federal Budget which forecasts historically low levels of PBS growth over the next four years of 1.5 per cent per annum in real terms; and also in the lower growth projections for the PBS over the next 40 years as reported in the second Intergenerational Report
- will deliver greater certainty for the industry while delivering very significant savings for the Government – savings of \$580 million over the next four years

will make it possible for the Government to list new cost effective medicines on the PBS

- will ensure the continuing viability of pharmaceutical manufacturing in Australia – the more stable environment that the package delivers will ensure the continuation of research and development activities in Australia
- will introduce more transparent pricing arrangements to the Scheme – this will be achieved through significant price reductions on off patent products and the price disclosure arrangements that commence in August 2007, and
- will give community pharmacies and the pharmaceutical industry time to adapt and make adjustments to this substantial package of reform – the key measures will commence on 1 August 2008 followed by a period of transition through to 2012.

Australia's PBS is recognised around the world as one of the most efficient and effective universal drug subsidy scheme. Its aim is 'to provide timely, reliable and affordable access for the Australian community to necessary and cost effective medicines'. The Guild believes the Government's PBS Reform Package – the most important significant change to the PBS since its creation 58 years ago – will ensure that this objective continues to be met.

The Guild welcomes these important reforms and is prepared to work with the Government to ensure their successful implementation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'KOS SCLAVOS', written in a cursive style.

KOS SCLAVOS
NATIONAL PRESIDENT