

22 April 2019

Ms Elizabeth de Somer
Chief Executive Officer
Medicines Australia
17 Denison Street
Deakin ACT 2600

Dear Ms de Somer,

Thank you for the opportunity to provide the views of the Coalition on important issues facing your members. A response to your questions is attached.

This election will have real consequences for Australia's economy and our future.

Despite global headwinds, our economy is strong. This year, for the first time in more than a decade, the Government will deliver a Budget surplus.

A stronger economy means we can deliver on our plans to:

1. Create 1.25 million more jobs over the next five years.
2. Maintain budget surpluses and pay down debt.
3. Deliver tax relief to encourage and reward hard working Australians.
4. Guarantee increased investments for schools, hospitals and roads.
5. Keep Australians safe and our borders secure.

The Morrison Government's Long-Term National Health Plan is providing Australians with access to quality medical care, record hospital funding, affordable life-saving medicines and breakthrough research for new drugs and treatments.

In contrast, when Labor was last in government, their budget mismanagement denied Australians affordable access to life changing medicines and put the future of Australia's health system at risk.

Thank you for communicating our response to your members.

Yours sincerely,



Andrew Hirst
Federal Director

STRENGTHENING AUSTRALIA'S WORLD-CLASS HEALTH SYSTEM: THE MORRISON GOVERNMENT'S RESPONSE TO MEDICINES AUSTRALIA

The Morrison Government's Long-Term National Health Plan is providing Australians with access to quality medical care, record hospital funding, affordable life-saving medicines and breakthrough research for new drugs and treatments.

Our goal is to make our health system even stronger and to ensure it is the best in the world.

By keeping our economy strong we will ensure the essential health services that Australians rely on such as Medicare and the Pharmaceutical Benefits Scheme (PBS).

The Morrison Government has a clear commitment to list all of the medicines on the PBS that are recommended by the Pharmaceutical Benefits Advisory Committee (PBAC). Unlike Labor, we delivered on this commitment and because of our strong economic management we can continue to guarantee we will continue to list all new medicines.

Medicare funding is at record levels. Almost nine out of 10 Australians who visit the doctor have no out of pocket costs with GP bulk billing rates at a record 86 per cent, from 82 per cent under Labor.

We are keeping the cost of health care down by increasing funding for diagnostic services such as MRIs and PET scans to detect breast cancer.

In partnership with GPs, we will improve options for more flexible care to meet the needs of patients and to keep them healthy and out of hospital with a \$1.6 billion package to strengthen primary care.

Under a Morrison Government, record funding will be provided for public hospitals with an additional \$31 billion over the next four years to employ more nurses, doctors and specialists, delivering – in partnership with the states and territories – more surgeries and medical services.

With one in five Australians affected by a mental health disorder, we are expanding support services, particularly for young people. We are working to address the nation's suicide rate with the largest youth suicide prevention plan in Australia's history, focused on expanding headspace, Indigenous youth suicide prevention and supporting children and their parents.

Under the Morrison Government, Australians living in rural and regional Australia have greater access to services including through new regional cancer centres, clinical trials and expanded telehealth services and increased opportunities for Australia's rural and regional health workforce.

Australian medical researchers are making incredible breakthroughs which are transforming how we treat patients, especially through genomics and personalised medicine for cancer. Our 10-year medical research plan through the \$20 billion Medical Research Future Fund backs our local scientists and ensures we can quickly take life-saving discoveries from the laboratory to the hospital.

Improved PBS listing process

The Morrison Government is committed to listing all new medicines on the PBS within six months from agreement on pricing following a positive recommendation from the PBAC. This commitment supports patients but is also in recognition that your industry requires stability and predictability for market access and to invest in new treatments and jobs.

Since 2013 the Coalition Government has made more than 2,000 new or amended medicines listings at a total investment of over \$10.6 billion.

These include important new treatments for cancer, spinal muscular atrophy, diabetes, cystic fibrosis, high cholesterol, arthritis and asthma amongst many more.

We are listing all medicines on the PBS unlike the former Labor Government. In 2011, when the current leader of the opposition, Bill Shorten was Assistant Treasurer, Labor took the unprecedented step of stopping the listing of new medicines on the PBS. Labor's 2011-12 Budget stated "*given the current fiscal environment the listing of some medicines would be deferred until fiscal circumstances permit*". This included medicines for asthma, chronic obstructive pulmonary disease, endometriosis and IVF amongst others.

Through the landmark Strategic Agreement with Medicines Australia we are implementing significant process improvements to the PBS listing process which will help to accelerate access to the latest medicines for Australian patients. The Morrison Government will continue to work with Medicines Australia to report to the community on the timeline for medicine listing on the PBS.

Strategic Agreement between Industry and the Commonwealth Government

The Morrison Government is committed to the Strategic Agreement between the Australian Government and Medicines Australia. This landmark agreement, signed in 2017, is delivering for patients and provides predictability and stability for the medicines sector until 30 June 2022.

Since signing this agreement we have provided approximately \$6.4 billion gross investment in new PBS listings as part of our commitment to list all new medicines recommended by the PBAC.

Together we will continue to work through and deliver on the initiatives in the current strategic agreement. A re-elected Morrison Government is committed to future compacts with the Australian medicines sector to focus on initiatives and policy settings that support timely access to new medicines for Australian patients, continued investment in research and clinical trials and business predictability.

Review of the National Medicines Policy

The Morrison Government is committed to the key principles that underpin Australia's National Medicines Policy:

- timely access to the medicines that Australians need, at a cost individuals and the community can afford;
- medicines meeting appropriate standards of quality, safety and efficacy;
- quality use of medicines; and
- maintaining a responsible and viable medicines industry.

Launched in December 1999, the National Medicines Policy is a well-established and universally endorsed framework based on partnerships between Governments, health practitioners, the medicines industry and consumers.

However, in recognition of the pace of medical innovation now and into the future, the Morrison Government is committed to a multi stakeholder review of this policy. The review will provide options to Government on how to modernise Australia's National Medicines Policy and strengthen health technology assessment processes to continue to support access to breakthrough medicines and new therapies. The Government will commence this review within the first nine months of forming government.

Clinical Trial Harmonisation, Intellectual Property and Research & Development

Developing new medicines, devices and medical technologies takes time and requires long-term investment and partnership.

The Morrison Government is providing record support for medical research with the goal of discovering and commercialising new treatments for patients and supporting the sector to flourish.

Our \$20 billion Medical Research Future Fund (MRFF) is supporting our local scientists and medical devices industry to turn their medical discoveries into clinical trials and revolutionary treatments.

Our 10-year \$5 billion investment strategy and Health and Medical Research Industry Growth Plan will give researchers and industry certainty and direction. The plan will create jobs, support opportunities for co-investment and reaffirm Australia's reputation as a global research powerhouse.

Our medical research missions and targeted investments tackle major health challenges and support future medical advances and are providing patients early access to new treatments, in particular:

- We will invest \$500 million in the Genomics Health Futures Mission which aims to transform the lives of more than 200,000 Australians through research into better testing, diagnosis and treatment with precision medicine.

- We will invest \$614 million over 10 years under the MRFF for rare cancer and rare diseases clinical trials - to use revolutionary medical science to find cures for patients.
- We will invest \$25 million for the National Drug Discovery Centre at Melbourne's Walter and Eliza Hall Institute of Medical Research, which aims to turn scientific discoveries into new medicines for patients faster.
- We will invest \$100 million to establish the landmark Rural and Regional Clinical Trials Infrastructure Program to provide better access and participation in clinical trials for patients and doctors in rural, regional and remote areas of Australia.
- We are also investing \$10 million in the Australian National Phenome Centre to support research into personalised and targeted medicine.

We have also established the \$500 million Biomedical Translation Fund (BTF) and the \$45 million in the BioMedTech Horizons program through MTPConnect to support the commercialisation of cutting-edge research.

We will invest \$80 million to establish a Centre of Excellence in Cellular Immunotherapy and CAR-T Cell therapy at Melbourne's world-leading Peter McCallum Cancer Centre, from the \$1.3 billion Community Health and Hospitals Fund

The Morrison Government will further support the initiation of clinical trials in Australia by seeking greater harmonisation for clinical trial regulation and processes through the Council of Australian Governments (COAG) Health Council within the first 12 months of forming Government. The Morrison Government will work with Medicines Australia, AusBiotech and other relevant stakeholders in providing proposals to the COAG Health Council. This will enhance Australia's global competitiveness in clinical trials.

A re-elected Morrison Government supports reliable, transparent and fair intellectual property provisions that support patient access to new medicines. We have maintained the refundable component of the Research and Development tax incentive for clinical trials and will continue to do so in the future.

A re-elected Morrison Government will work with the medicines and medical sector to ensure that Australia's intellectual property provisions continue to encourage investment in clinical trials in Australia and to encourage early patient access to medicines through the Pharmaceutical Benefits Scheme.

Unlike Labor we are supporting patients, encouraging medical advancements and creating business predictability. If you can't manage the budget, you can't invest in essential health services, including medicines.