

Pharmaceutical industry facts and the value of investing in medicines

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Industry contributes to Australia's economy

\$1.25bn

Generated for the Australian economy by Industry clinical trials in 2022¹

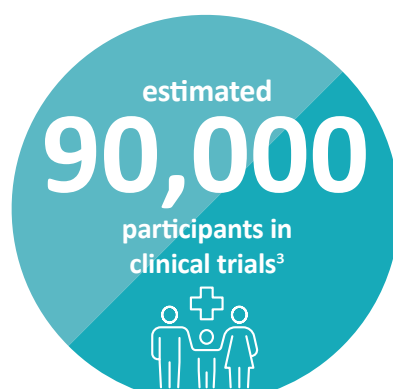
~16.9K

Australian jobs in human pharmaceutical and medicinal manufacturing in 2023–24²

~\$3.5bn

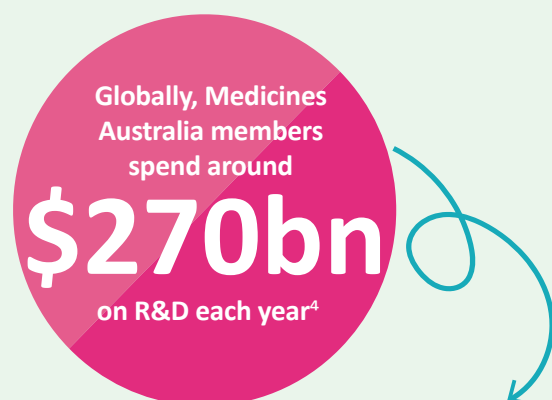
Value added contribution to GDP in 2023–24²

Each year, Australia's innovative medicines industry invests in clinical trials



Australia is recognised globally as a preferred location for companies to conduct clinical trials thanks to our excellent healthcare facilities and researchers, a diverse population, and strong legal frameworks with robust IP protections.

A new era of medicine



Research and Development is the cornerstone of the medicines industry. We are in a new era of medicine where breakthrough science is transforming care and the approach to prevention and treatment. Our sector's robust investment in R&D is resulting in advances and discoveries unlike anything we have seen before.

Australia could attract even more international trials to Australia

The Federal Government has committed \$18.8m to progress the National One Stop Shop for clinical trials. Ongoing investment is required to ensure Australia remains globally competitive in clinical research and development, benefitting patients, industry, and the broader economy.

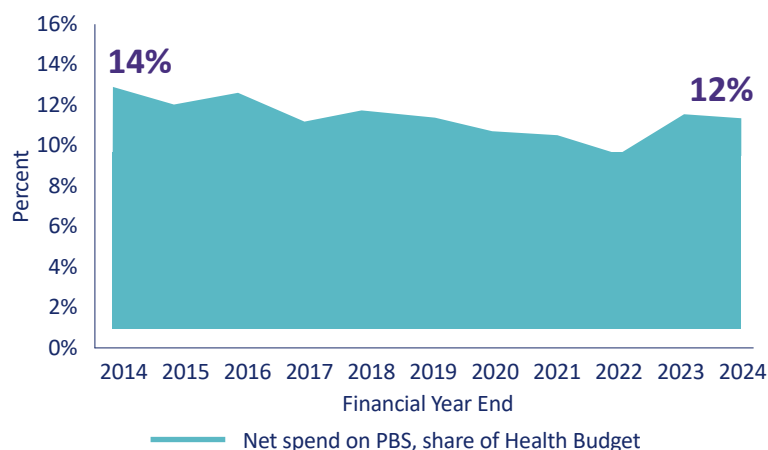
↑54% Between 2016 and 2022 the number of Ph1 and Ph2 clinical trials grew in Australia by 54%¹

↓2% The number of Phase 3 and Phase 4 trials decreased by 2%¹

Ph1 and Ph2 trials are early stage trials to determine safety, side effects and dosage. Ph3 trials are conducted with a larger number of people, usually in a randomised controlled way. Ph4 trials take place after regulatory approval.

Australia is missing out

Net spend on the PBS is declining (as a % of total Health budget)⁵



Spend on new innovative medicines as a share of GDP, by country⁶

	0.78
	0.34
	0.40
	0.32
	0.28
	0.26

The PBS has been helping Australians access medicines for more than 75 years. It is a cornerstone of Australia's health system because Australians with a Medicare card can access over 900 essential medicines when they need them without paying full price for them. **It is 30 years since the PBS system was comprehensively reviewed. In that time, science and medicines have improved but our process for assessing medicines for inclusion on the PBS has not kept pace.**

New medicines supplied globally between 2016 and 2021 and available via PBS or LSDP in 2023

302

innovative medicines
supplied globally⁷

149

were deemed safe and
effective by the TGA⁷

27%

Only 81 were listed on the
PBS or LSDP, providing
subsidised access for
patients⁷

Australia lags behind other countries

Australians received subsidised access to 27 percent of recently supplied innovative medicines in 2023. This was after a substantial delay: Australians received subsidised access to these medicines **466 days** after the Therapeutic Goods Administration deemed them safe and effective (on average).



3x
longer than GBR



4.5x
longer than Japan



“

More timely approval processes for pharmaceuticals and other medical technologies would help ensure that the diffusion of new treatments remains a positive contributor to productivity growth.

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– Productivity Commission,
*Advances in measuring
healthcare productivity*, 2024.

To keep the PBS strong , we need to make it faster, fairer and fit for the future.

StrongerPBS.com.au

¹Source: MTP Connect: Australia Clinical Trials Sector Report 2024. ²Source: ABS Australian Industry 2023–24 financial year. ³2022 figures. Source: MTP Connect: Australia Clinical Trials Sector Report 2024. ⁴Source: Analysis of annual reports of Medicines Australia Tier 1 members that are public companies. ⁵Source: Department of Health Annual Report, PBS Expenditure and Prescriptions Report; Medicines Australia. ⁶Source: EY/PhRMA. ⁷Source: PhRMA; Medicines Australia.