

## Fact sheet 1 - Strategic Agreements with the Medicines Industry – Securing future investment for new medicines

In 2020 the Government introduced the New Medicines Funding Guarantee to meet the cost of future new and amended Pharmaceutical Benefits Scheme (PBS) medicines. The PBS New Medicines Funding Guarantee will ensure new funding is guaranteed each year for the listing of new medicines on the PBS, to be replenished each year to meet the expected cost of new and amended PBS listings.

Working together, the New Medicines Funding Guarantee and the savings of approximately \$1.9 billion from the New Strategic Agreements (after 2023-2027) with the medicines industry, supported by statutory pricing reforms, will be fully re-invested in the PBS, ensuring all Australians continue to have the earliest possible access to new medicines.

At least \$5 Billion of uncapped new investment from the Australian Government and the medicines industry will ensure sufficient funds are available to list new medicines on the PBS over the 5-year terms of the agreements and beyond.

### **Why is this important?**

Affordable and early access to medicines through the PBS saves and protects lives.

The Government has a policy to list all medicines on the PBS as recommended by the Pharmaceutical Benefits Advisory Committee (PBAC).

The New PBS Medicines Funding Guarantee and additional savings will ensure that new medicines continue to be listed on the PBS.

The PBAC will continue its rigorous examination of clinical and cost-effectiveness prior to making a recommendation to list a medicine on the PBS.

There is a shared goal of continuing to improve PBS listing processes to reduce the time taken to list new medicines on the PBS following TGA registration

Australians and taxpayers will benefit from the continued partnership between the Government and the medicines industry to prioritise innovative medicines and generate savings from later in the innovation life cycle and multi-brand medicines

### **Who will benefit?**

All Australian patients benefit from rapid, equitable and sustainable access to the most effective medicines, including highly specialised, high value and lifesaving medicines, through the PBS.

This change will also benefit the Australian medicines industry, including pharmaceutical manufacturers, wholesalers, compounders, hospital pharmacies, community pharmacies and consumers through continuous Government investment in new medicines.

The Australian economy will benefit from continued investment by the industry into the health care sector with innovative medicines that change lives, improve health outcomes, reduce the burden on the health care system, provide jobs and improve productivity