
Thank you for the opportunity to provide evidence to this enquiry into the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2013*.

My name is Lisa Maguire and I am the Associate Director of Corporate Affairs at GlaxoSmithKline or 'GSK' as it is known. GSK is a global pharmaceutical company with a proud history in Australia dating back to 1886.

While GSK is a vocal advocate of increased transparency in our industry, we do not support the Bill and strongly urge the Committee to reject the Bill.

GSK also supports the views on this issue made by Medicines Australia on behalf of the research-based pharmaceutical industry. Our General Manager, Geoff McDonald, is providing evidence in a later session today through his role on the Medicines Australia Transparency Working group.

The reasons we do not support the Bill are many however the points I would like to emphasise for the Committee today are:

1. Self regulation in the innovative medicines industry, as covered by the Medicines Australia Code of Conduct **works**;
2. Medical education funded by pharmaceutical companies is fundamental to patient care and quality use of medicines;
3. Transparency in the pharmaceutical industry is absolutely critical; and
4. A level playing field when it comes to codes of conduct is a sensible way forward, but not at the detriment of codes that work.

GSK distinguishes itself not only through its success but also through a collective ethical approach to all areas of business. Our guiding principles are to: be transparent, focus on patient needs; respect people; communicate honestly and act with integrity.

It is true that we don't always get it right. GSK recently received a \$3billion dollar fine in the United States for unacceptable sales and marketing practices. These offences were isolated to the United States and originated in a different era for the company and GSK expresses regret and reiterates that the company learnt much from its mistakes.

We acknowledge that it is these types of issues that contribute to public wariness of our industry and a reduction in trust. They stimulate the continuing myths of 'Bad Pharma' which in turn lead to individuals such as Senator Di Natale left feeling that more needs to be done.

However there is no evidence to suggest that self regulation is not working for companies operating under the Medicines Australia Code of Conduct. Over the years, the innovative industry has continued to implement regulations to meet the needs of consumers, including increased transparency around interactions between pharmaceutical companies and healthcare professionals.

GSK adheres to the Medicines Australia Code of Conduct. We support its charter to provide a mechanism for the innovative pharmaceutical industry to establish and maintain an ethical culture through a self regulatory approach.

In 2012 Medicines Australia's Code of Conduct Edition 17 was authorised by the ACCC after rigorous scrutiny and public consultation. The new Code raised the level of transparency of member companies' interactions with healthcare professionals to disclose aggregate payments to doctors and consumer groups.

We believe this is an important next step regarding the transparency of interactions between companies and healthcare professionals, strengthening the Medicines Australia Code of Conduct even further. Ongoing development and consultation on the Code is a good example of effective self regulation in practice.

GSK has been a strong and vocal advocate for increased transparency in the pharmaceutical industry. We have voluntarily disclosed the aggregate amount of fees for all sponsorships, grants, speaking engagements and consulting services for the last three years.

We have actively championed increased transparency by encouraging other industry members to support greater transparency in the Medicines Australia Code of Conduct.

There is widespread community expectation of increased transparency, as shown in the recent Galaxy Research survey commissioned by GSK. The results of this survey found that sixty-five per cent of consumers who participated want companies to disclose sponsorships to individual doctors and specialists.

There is no doubt that consumers want individual disclosure. GSK is an advocate for this, but it cannot be done in isolation. It is important that the views and concerns of healthcare professionals are considered, along with the views of other interested parties.

That is why we fully endorse the Transparency Working Group. The members of this group are fully committed to increased transparency and will continue to work closely with healthcare professionals, patient groups and the wider sector to achieve the same transparency outcome as intended by the Bill.

The measures outlined in the Bill will have a detrimental impact on pharmaceutical companies' ability to support valuable medical education for healthcare professionals.

Medical Education is critical to ensure quality use of medicine and is in the best interests of patients. Patients want their doctors to know how medicines work and how to use them. At GSK, we regularly engage with healthcare professionals to share knowledge, become better informed and obtain important feedback. This vital information exchange is all about changing people's lives with the latest healthcare developments.

We believe it is appropriate to fairly compensate healthcare professionals for the legitimate and important insights and expertise into the medical care that they provide. While some might argue that healthcare professionals should fund their own education, this is not realistic in practice. Doctors come from all walks of life and it is appropriate that we support them to continue to gain new knowledge in an incredibly complex and evolving field.

While we do not support the Bill, we do believe the lack of a level playing field warrants further discussion. For example, we believe that different sectors of the industry (such as medical devices, generics and complementary medicines) should self regulate at the same standard and be governed by a Code of Conduct as rigorous as the Medicines Australia Code.

We understand the Government is looking at this issue through the Code of Conduct Advisory Group and we support that approach.

In Conclusion

GSK urges the Committee to recommend that the Bill be rejected.