

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-006

OUTCOME 2: Access to Pharmaceutical Services

Topic: MOU WITH MEDICINES AUSTRALIA

Written Question on Notice

Senator Xenophon asked:

- a) Is it correct that the MoU the Government entered into with Medicines Australia companies ensured that PBS approvals would take no longer than six months?
- b) Is it also correct that this measure was part of an agreement that would reduce the cost of the PBS in exchange for investment certainty for drug companies?
- c) Is the Government backing down on this agreement?

Answer:

- a) Paragraph 29 of the Memorandum of Understanding (MoU) between Medicines Australian and the Australian Government states the following:

“For those submissions required to be approved by Cabinet, the Commonwealth will use its best endeavours to implement a maximum time frame of six months for consideration and decision by Cabinet. The six months will commence from the date of notification by the Department of Health and Ageing to the sponsor that pricing is agreed.”

- b) Paragraph 3 of the MoU states that:

“Both parties intend that the MoU will promote the efficiency and sustainability of the PBS and support, by the provision of a stable pricing policy environment, a viable and responsible medicines industry in Australia, consistent with the objectives of the National Medicines Policy.”

- c) No, the Australian Government is committed to meeting its obligations under the MoU with Medicines Australia.