

Medicines Partnership of Australia

Pharmaceutical Benefits Scheme (PBS)

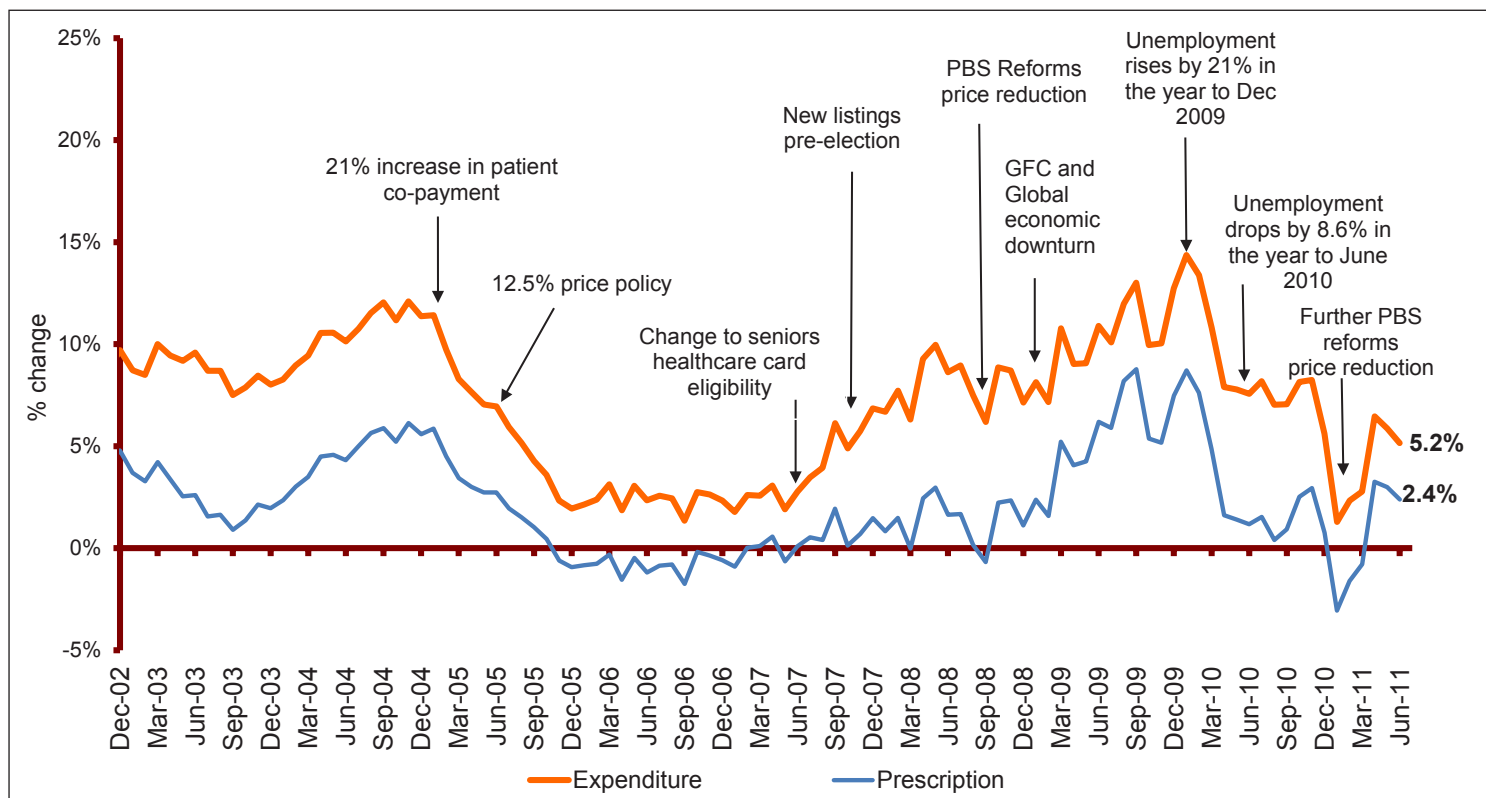
Scorecard

August 2011

Figure 1 – Recent PBS data shows growth remains low and is trending down

Growth in government expenditure on the PBS in the year ended 30 June 2011 was 5.2%. After adjusting for inflation, this represents growth of less than 2% in real terms. This is a sustainable level of growth, and existing arrangements such as price disclosure will ensure expenditure remains well under control. The graph below does not include the impact of further price reductions that took effect from 1 August 2011.

Figure 1: PBS Growth - prescriptions and Government expenditure (Moving Annual Total , MAT)



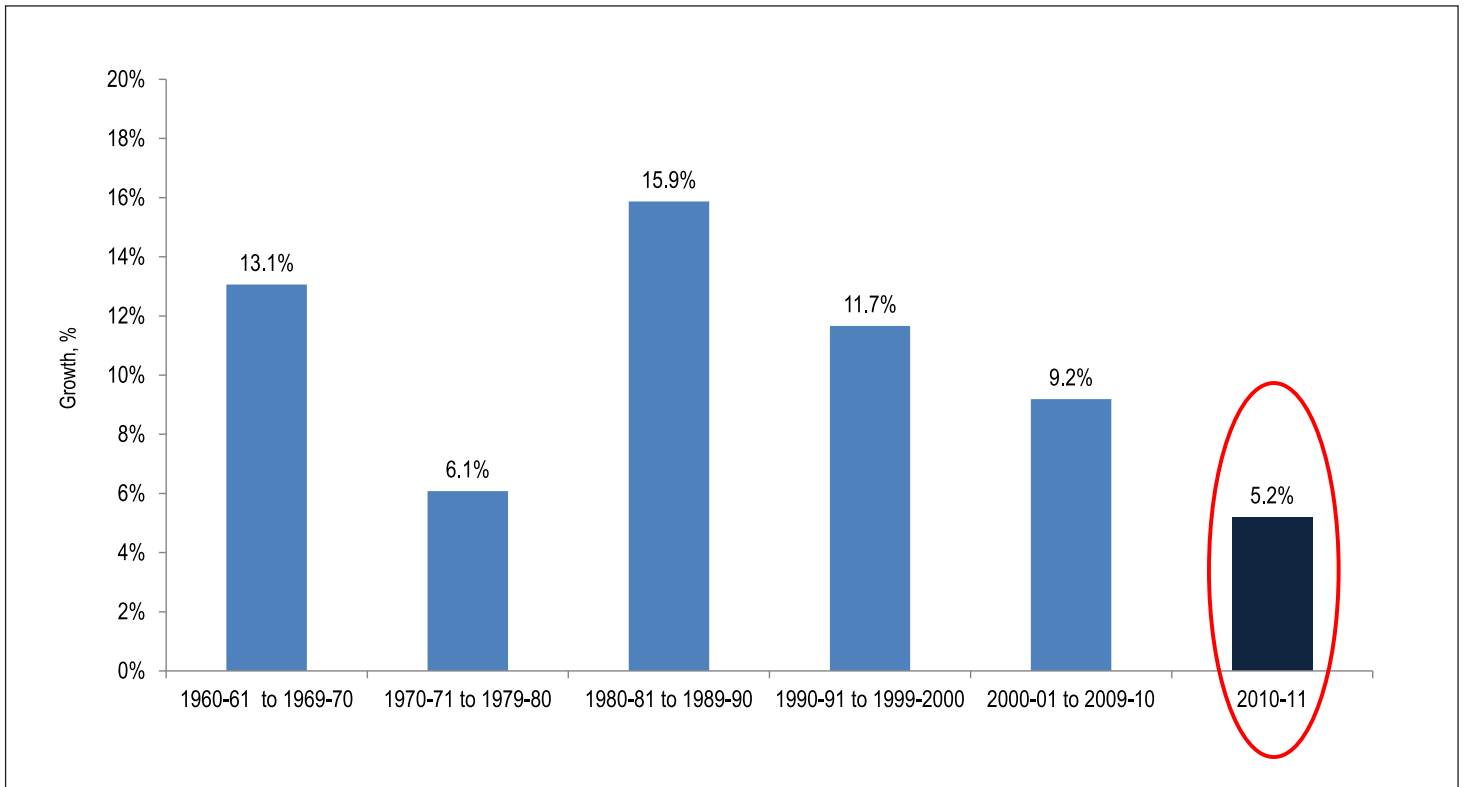
Source: Medicare Australia. Excludes expenditure on s100 drugs including highly specialised drugs used in public hospitals.

Scorecard

Figure 2 - PBS growth is declining decade on decade

The ten year average growth in PBS in the last decade (2000-2010) was one of the lowest since the 1980's. The publically available data for PBS expenditure shows that in the year to 30 June 2011, PBS grew by 5.2%. The current growth rate reaffirms that the long term downward trend is continuing.

Figure 2: Ten year average expenditure growth (1960-2010)



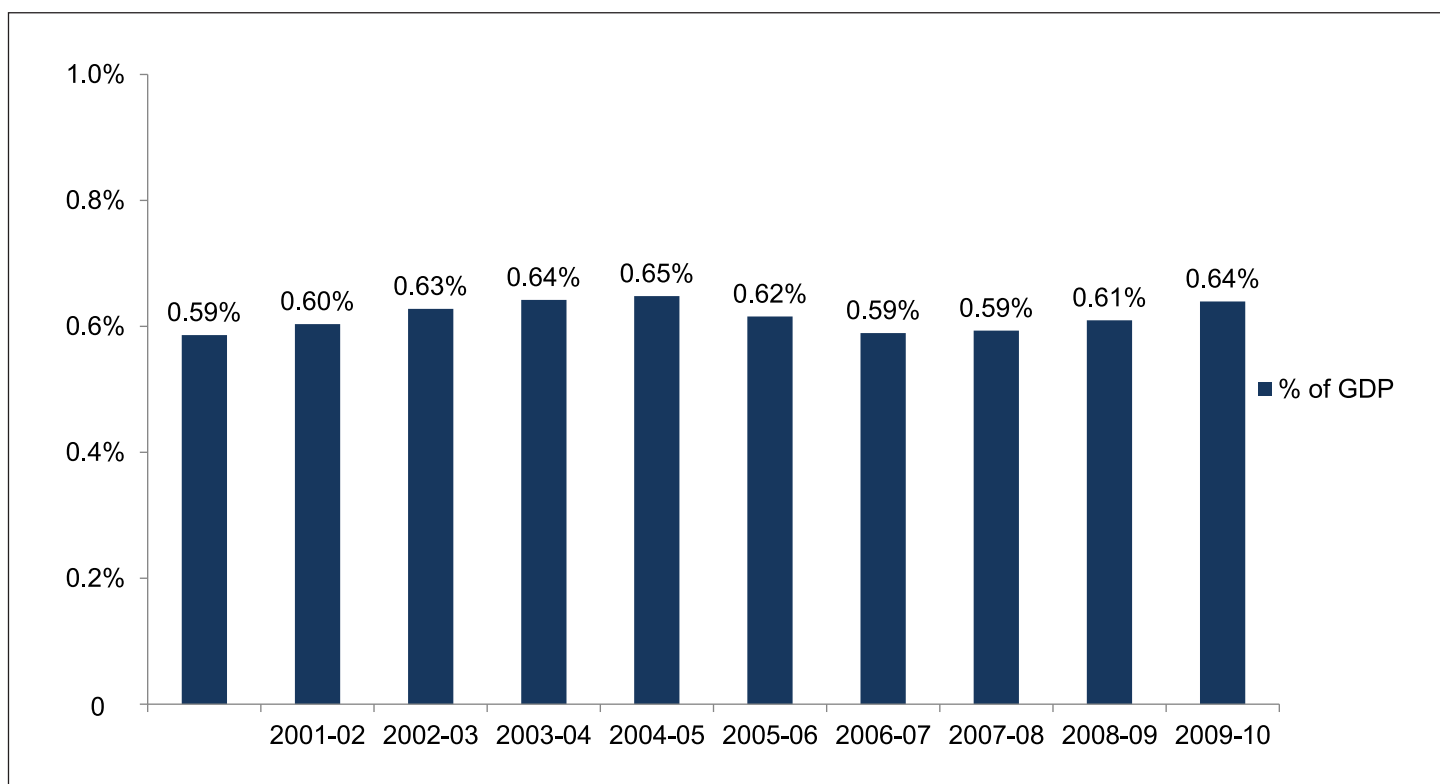
Source: Department of Health and Ageing, Annual reports , various years; 2009-10 expenditure figures taken from PBPA annual report 2009-10. PBS growth for 2010-11 was calculated using the Medicare Australia data. The 2010-11 growth does not include PBS expenditure on s100 drugs including highly specialised drugs used in public hospitals.

Scorecard

Figure 3 - PBS as a % of GDP remains stable

Over the last decade, PBS expenditure as a proportion of GDP has remained steady at between 0.6% and 0.65%.

Figure 3: PBS expenditure as a proportion of Australian GDP



Source: PBS expenditure-Annual Reports, Department of Health and Ageing, Various Years. GDP-Australian Bureau of Statistics, catalogue 5206.0 - Australian National Accounts: National Income, Expenditure and Product, various years

Scorecard

Figure 4: PBS as a proportion of Australian GDP- Actual vs. Projected

Australia's 2010 Intergenerational Report shows that expenditure on the PBS will remain steady at 0.7% of GDP through to 2020. Already, the actual expenditure in 2009-10 was below the 0.7% of GDP forecasted in IGR for 2010.

Figure 4: PBS on track and sustainable

