



**THE HON NICOLA ROXON MP
MINISTER FOR HEALTH AND AGEING**

Mr W. Delaat
Chairman
Medicines Australia Limited
16 Napier Close
DEAKIN ACT 2600

Dear Mr Delaat

Will,

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE COMMONWEALTH OF AUSTRALIA AND MEDICINES AUSTRALIA**

I am delighted that we have reached agreement on a range of matters that promote the long-term sustainability of the Pharmaceutical Benefits Scheme (PBS).

The attached Memorandum of Understanding details the commitments made by the Commonwealth of Australia and Medicines Australia until 30 June 2014.

In challenging economic times, both parties have a mutual interest in ensuring that PBS expenditure remains sustainable and the PBS remains responsive to change and to the availability of new and innovative medicines.

The increased fiscal certainty and improved administrative approaches to the timely listing of medicines that will result from this agreement will be of great benefit in supporting an environment of access and value for the Australian community and a viable medicines industry. The agreement preserves a commitment to providing access to new and innovative medicines in the F1 formulary, while making some of the benefits of competition in the F2 formulary available to support improved health services for all Australians.

Thank you for your commitment to support the legislative changes required to give effect to this MOU.

I would like to take this opportunity to acknowledge the willingness of Medicines Australia and its member companies to engage with the Government in such a positive way to help the Government achieve its policy objectives. The Australian medicines industry provides an important service to the Australian community and I thank you for your positive contribution.

I look forward to working with you to realise the benefits of these undertakings over the term of our agreement.

Yours sincerely

NICOLA ROXON