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2026-27 PRE-BUDGET SUBMISSION

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AstraZeneca welcomes the opportunity to make a submission to the Commonwealth Government ahead of the 2026-27 Federal Budget.

AstraZeneca is a global biopharmaceutical company employing more than 90,000 people globally and 1,000 people across Australia and New Zealand. AstraZeneca is a science-led and patient-focused company committed to transforming healthcare and contributing sustainably to people, society and the planet. Our therapy areas are focused on oncology; cardiovascular, renal and metabolism; respiratory and immunology; vaccines and immune therapies; and rare diseases.

AstraZeneca is among the largest investors in clinical trials and research in Australia. In 2025, AstraZeneca had over 100 clinical trials in Australia, involving over 1000 patients across 120 sites. We are one of few pharmaceutical manufacturers in Australia, and have been manufacturing in North Ryde, Sydney, for over 60 years.

Focused on the planet, we are taking bold action on climate change with initiatives that include ambitious science-based decarbonisation targets; manufacturing our medicines in a more sustainable and efficient way; and restoring local ecosystems through partnerships.

In Australia, AstraZeneca believes that meaningful healthcare reform that focuses on earlier diagnosis, faster access to treatment and care, and fairer access in a more equitable system, should be a central priority for government.

Too often, Australian patients and families face avoidable barriers to care. Delayed diagnosis means that patients have less treatment options available, resulting in worse patient outcomes and often greater cost to the health system. Slow or inequitable access to the latest medicines and therapeutic innovations limits Australians' opportunities to benefit from new scientific discoveries, whilst resulting in less cost-effective care.

By targeting reform towards earlier identification of disease, faster pathways to effective medicines, and fairness in access regardless of geography, disease, or background, we have the opportunity to achieve better outcomes for patients whilst also improving future sustainability for the health system.

We have identified four recommendations that would improve Australia's access to healthcare:

1. Provide funding for the implementation of the Health Technology Assessment (HTA) Review recommendations to deliver faster and fairer access to medicines.
2. Provide funding for the implementation of bridging funding as recommended in the HTA Review.
3. Commit to a targeted increase in PBS investment as a share of GDP to protect patient access to innovative medicines in support of recommendations made in the HTA Review
4. Commit to the collaboration with the innovative medicines industry in the Strategic Agreement negotiations which are due to commence on 1 July 2025

RECOMMENDATION 1

Provide funding for the implementation of the HTA Review recommendations to deliver earlier, faster and fairer access to medicines.

Australia's current system undervalues innovative medicines and limits patient access. PBS prices are determined using outdated comparators and biased assessment methods that aim to minimise clinical value, do not recognise long-term benefits, and cannot accommodate the realities of modern precision therapies. As a result, patients face avoidable delays to new treatments, and Australia is falling behind comparable OECD countries on time-to-access and attractiveness for investment in medical innovation and research.

In 2022, the Australian Government commissioned a comprehensive Health Technology Assessment (HTA) Review to modernise policy, methods and processes across medicines, vaccines, devices and digital technologies. The Review engaged widely through public consultations, stakeholder roundtables with industry, clinicians and consumers, and expert working groups on methods and processes. The HTA Review Report (September 2024) set out 50 recommendations to address inequities in access, improve timeliness and value recognition (including comparator selection and discount rate), strengthen consumer engagement, and invest in HTA capability. An Implementation Advisory Group (IAG) was established, and the Implementation Report (September 2025) provides a pathway for delivery.

AstraZeneca recognises that the Government provided $5.3 million to progress the first phase of implementation in the 2025-2026 MYEFO, which includes updating PBAC Guidelines to modernise comparator selection and the discount rate.

AstraZeneca recommends that the Government provide dedicated funding in the 2026-27 Budget to implement the remaining HTA Review recommendations, which should:

- Clarify and update PBAC processes to improve predictability and speed of HTA decisions.
- Streamline assessments and pursue new assessment pathways to reduce unnecessary delays.
- Enhance equity and transparency of HTA.
- Strengthen engagement frameworks involving patients, clinicians and industry.
- Focus on value recognition to ensure innovative and high-value medicines are accessed more rapidly.

Without substantial reform, Australian patients will continue to receive slower access to medicines than the OECD average and Australia will be a less attractive country for investment in medical innovation and research. Many recommendations can be progressed straight away. Patients have already waited three years since the House of Representatives Inquiry identified unacceptable delays in access. Further deferral will prolong inequities, impede innovation, and result in worse outcomes for Australian patients.

RECOMMENDATION 2

Provide funding for the implementation of bridging funding as recommended in the Health Technology Assessment (HTA) review to bridge the funding gap between registration and reimbursement where there is a time-critical, high unmet clinical need, ensuring Australians have faster access to the best available treatments.

Australian patients wait 466 days (15 months) on average between a potentially life-changing medicine receiving approval from the Therapeutic Goods Administration (TGA), and that medicine being reimbursed through the Pharmaceutical Benefits Scheme (PBS)[1]. This is significantly longer than the average wait times across other OECD countries[2].

In Japan, registration to reimbursement takes just 102 days, 136 days in Germany and 156 days in Great Britain[3]. This means that Australia's average waiting period is almost a year longer than these comparable OECD countries. Bridging funding currently exists in the United Kingdom, Germany, France, Switzerland, and Belgium.

Many patients do not have this time to wait, with an advanced cancer diagnosis, for example, potentially resulting in a much shorter prognosis of six months or less.

With a dedicated budgetary allocation, bridging funding would provide faster access to medicines by bridging the gap between TGA registration and PBS funding for therapies that address a high unmet patient need and where patients cannot afford the time for the medicine to be listed on the PBS.

Bridging funding would help patients with a time-critical diagnosis gain earlier access to medicines that may save or significantly extend their life at the time of TGA registration, so that they can access the medicines they need as soon as they are deemed safe and effective to use.

This would ensure that for at least the most critical new medicines, Australians receive access to the best available treatments, and that Australian healthcare does not lag behind other OECD countries.

The Bridging Funding Coalition is a group of more than 25 of Australia's leading patient advocates, clinicians, medical researchers and pharmaceutical industry representatives, who launched a national consensus statement in November 2024, and submitted a framework to the HTA Implementation Advisory Group in September 2025 to support the rapid implementation of bridging funding.

Analysis by the Bridging Funding Coalition found that approximately 21,600 Australian patients could have had faster access to therapies if bridging funding was available between 2022-2025[4], with 18 therapies that could have been available to patients via bridging funding, including therapies that treat subtypes of breast cancer, ovarian cancer, blood cancer and lung cancer.[5] The average time between TGA registration and PBS listing for these therapies was 815 days.[6] This analysis shows that approximately 7,200 patients per year could benefit from faster access to time-critical treatment.[7]

[1] Medicines Australia. Medicines Matter 2022: Australia's Access to Medicines 2016-2021
[2] Ibid
[3] Ibid
[4] AstraZeneca. Data on file. November 2025.
[5] AstraZeneca. Data on file. November 2025.
[6] AstraZeneca. Data on file. November 2025.
[7] AstraZeneca. Data on file. November 2025.

Based on this analysis, the cost to government is approximately $334 million per year, equating to on average $46,000 per year per patient to provide faster access to eligible time-critical therapies that may save or significantly extend a patient's life. [8]

The Government is currently implementing Health Technology Assessment (HTA) reforms. Bridging funding is Recommendation 20 of the HTA review report[9] and is being considered as an option for implementation in 2028. AstraZeneca believes bridging funding is time-critical, could be implemented within 12 months, and should be funded and implemented in 2026, delivering immediate patient impact as a result of HTA reforms.

RECOMMENDATION 3

Commit to a targeted increase in PBS investment as a share of GDP to protect patient access

Australia faces escalating risks to timely access to innovative medicines.

Australia's net spend on innovative medicines as a share of GDP is low at 0.26%, compared to peer nations (such as US at 0.78% and Japan at 0.4%). PBS net spending has also declined as a share of the total health budget over the past decade, from 14% to 12%.

Additional investment is required to reverse this trend, and to ensure Australian patients have access to innovative treatments and that Australia remains an attractive destination for new medicines, clinical research, and pharmaceutical manufacturing.

AstraZeneca recommends that the Government should commit to a targeted increase in PBS investment as a share of GDP, alongside urgent HTA reform outlined in Recommendation 1 and 2.

Increasing Australia's net spend on innovative medicines would improve access to a larger share of globally supplied innovative medicines and facilitate a more competitive launch environment that supports Australia's broader life sciences ambitions, including clinical trials, advanced manufacturing and sovereign supply resilience.

RECOMMENDATION 4

Commit to the collaboration with the innovative medicines industry in the Strategic Agreement negotiations which are due to commence on 1 July 2026.

The Strategic Agreement framework has a proven track record of creating stability, policy certainty, and shared objectives that benefit patients, taxpayers, clinicians and the broader health system.

Partnership with the innovative medicines sector would provide **business confidence** to attract and retain global investment, support local clinical trials, and foster participation in research, development, and advanced manufacturing. The Strategic Agreement model embeds a predictable policy environment that enables long-term planning, encourages the adoption of emerging medical technologies, and ultimately delivers better health outcomes for all Australians.

For these reasons, a clear commitment to negotiating a Strategic Agreement from 1 July 2026 will reinforce trust, uphold Australian patients' access to innovation, and bolster economic and health system resilience.

[8] AstraZeneca. Data on file. November 2025.
[9] https://www.health.gov.au/resources/collections/hta-review-final-report-collection