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Australia PM Vows PBS Off Limits in Trade

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Australia's Pharmaceutical Benefits Scheme (PBS) must remain off the table in upcoming U.S. trade talks, according to leading medical adviser Dr Aseem Malhotra, who is affiliated with the Make America Healthy Again campaign. While Dr Malhotra has no formal role with the Australian government, his warnings have aligned with bipartisan Australian concern over the impact of U.S. trade pressure on medicine pricing.

Dr Malhotra, who has engaged with U.S. health policymakers, emphasized that the PBS price cap, currently set at A\$31.60 per prescription, must be preserved to protect Australian patients from potential cost increases. He warned that large pharmaceutical companies,

which he described as “pathologically self-interested,” could use trade negotiations to push for higher drug prices in Australia.

The PBS subsidizes nearly 930 medicines and costs the federal government approximately A\$18 billion annually. It plays a central role in ensuring affordable healthcare for Australians and is widely regarded as one of the foundational components of the nation’s health system.

Concerns have intensified following reports that the Trump campaign has floated tariffs of up to 200 percent on pharmaceutical imports as part of a broader plan to boost domestic U.S. manufacturing. Meanwhile, American pharmaceutical lobbyists, including the powerful group PhRMA, have called for changes to the PBS through trade negotiations, claiming Australia undervalues innovative medicines.

In response, Australian leaders have firmly rejected any suggestion that the PBS could be subject to negotiation. Prime Minister Anthony Albanese declared the scheme “not for sale” and reaffirmed Labor’s commitment to protecting Medicare and equitable access to affordable medicines. Treasurer Jim Chalmers echoed this stance and stated that the PBS is not something the government is willing to trade away.

Trade Minister Don Farrell emphasized that although Australia remains open to broader trade engagement, core health programs like the PBS would not be compromised. Similarly, Health Minister Mark Butler said this is not the first time U.S. pharmaceutical interests have attempted to influence Australian pricing policies and that the government remains committed to affordability and public health.

Deputy Prime Minister Richard Marles underscored the scheme’s long-standing role in Australia’s healthcare system and reinforced that the PBS is essential and untouchable.

With support from both the government and opposition, it appears unlikely that PBS protections will be weakened in future trade agreements, regardless of international pressure.